

Frankfurter Allgemeine

ZEITUNG FÜR DEUTSCHLAND

“Women are in Demand More Than Ever Before”



Top executive search consultant Clarke Murphy speaks about quota and gender equality, Generation Y and high management salaries

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Mr. Murphy, you have three daughters and a son. Who has the better career prospects – boys or girls?

Fortunately, that is not something decided by gender any more. We will see what path each of them pursue.

So there's equal opportunity?

There is a considerable amount happening at the corporate level – even in previously male-dominated sectors like the oil industry, where people used to think that women would have no opportunities.

Even now, I can't think of a female top executive at Exxon or Shell.

Women are moving up there too. Think for example about Maria das Graças Silva Foster, CEO at Petrobras Brazil, or Ursula Burns at Exxon Mobile. Nowadays, we are introducing women for senior management roles, including at board level, across all areas, including engineering and finance.

So will management soon become a women's preserve?

Well, definitely more influenced by women, at any rate. 38 per cent of all supervisory board members from our executive search engagements since 2011 had a diversity background. That is unprecedented.

But that means your daughters have an advantage over your son.

They definitely have an advantage compared with such as my mother. That generation of women faced tough challenges, but not my daughters any longer.

Nevertheless, quotas are coming in everywhere, including in Germany. It is claimed that it is the only way forward. Men will not surrender power willingly.

You are forgetting the time factor. I have been an executive search consultant for 25 years, and I can only say: The ball has started rolling. Change is definitely coming, even if not overnight.

Is the quota set to do harm?

Examples like the 30% Club in the United Kingdom demonstrate that encouragement to change is more effective than rigid quotas: In case of uncertainty quotas might only create emotional resistance, thus do not help women, but hinder them.

Man or woman – what skills do young managers need today?

Following the bursting of the dot.com bubble, visions were in demand; after the Lehman crisis, cost-cutting was all en vogue; today, you need a combination of agility and in-depth expertise in your field.

Are we experiencing the end of the visionaries?

Yes. Visionaries are artists with fertile powers of imagination. But management today means shaping future growth on the basis of hard figures, facts and knowledge.

Why is that?

The corporate world turns incredibly fast. Managers are constantly having to take decisions and be able not only to think strategically, but also to demonstrate strong operational skills. Speed combined with resilience is what is required. Managers have to know what is at stake and what the consequences might be. In addition they have to communicate highly effectively and directly – to employees, to the supervisory board, to shareholders, to the general public. Anyone who fails to convince all relevant stakeholders has got a problem on his hands. This is a completely new leadership challenge.

But, so far, Generation Y hasn't exactly been outstanding for its love of taking decisions.

Many young people today are overloaded with deadlines, and over-stimulated. With so many choices, it is hard to decide in favor of one option and thus against another.

How is this manifesting itself?

Many young people these days are not just looking for a job, but for an occupation that is personally rewarding for them as well. They do not weigh up purely rationally what

advantages and disadvantages a job with, say, Deutsche Bank or Mercedes could offer them. It turns into a decision made with the heart rather than the head: can I believe in the company? Can I identify with the way it presents itself, and with its products?

Migrating from one internship to the next.

That is why they need to learn early on to focus and to take responsibility for their decisions.

And who teaches them that?

School, parents – everyone. For example, our son plays football. If he is moaning on a Saturday morning - “I am tired, I would like to skip the game this weekend for once” - then we send him the message that this is not an option. A team player turns up every Saturday, even if he is not particularly feeling like it.

Team commitment!

That is how it is. You need to demonstrate perseverance. Unfortunately, there is far less emphasis on performing to the best of your ability these days. Our generation received a trophy if we had won a tournament. Today, you receive a trophy just for participation.

Are you saying that more and more managers are complaining that the job is so stressful nowadays because they haven't learned to compete?

No. The tasks that today's managers are dealing with ask a lot of them. Everything is international. The 'always-on' communications keeps everyone under pressure around the clock. There is always a problem somewhere that needs to be solved right away.

How do managers cope with this permanent pressure?

They need time for reflection occasionally. They should block out two or three hours a week for themselves, to reflect and to clearly prioritize. This time is sacrosanct. Teams that have understood this necessity meet once or twice a year – with no set agenda, just so they do not become suffocated in rigidly working through agenda items, but can instead look to shape the future. Anyone looking to have a career knows that these creative pauses and times for profound reflection are essential to avoid burning out.

In the past, contacts and databases were the most valuable items for an executive search consultant. Have these become worthless now that we have social networks like LinkedIn?

Naturally, we also make use of databases or LinkedIn for our search engagements. But the real work starts after that: executive search is more of a science than an art these days. We analyze candidates very closely – partly also using psychometric tests. We look at their personality – how does this person react to stress? Are they able to take advice? How do they take decisions? What mistakes have they made in the past, how do they handle them? What have they learned from them?

Top managers like Thomas Middelhoff simply block out mistakes.

That is neither helpful nor healthy.

Middelhoff, the former CEO at Karstadt, has just been sentenced to three years in prison for embezzlement. As an American, are you taken aback by that?

No. You have to think for example of the former head of the Tyco conglomerate, Dennis Kozlowski, who went to prison for eight years for similar offences.

He bought gold-threaded shower curtains, a 15,000-dollar umbrella stand...

And he spent two million dollars on a birthday party for his wife – at the company's expense.

You recently said the era of fat pay checks is over.

You can earn well today, that is for sure, but salary excesses are a phenomenon of the past.

In Germany, there are regular debates about capping salaries, so that they don't blast the social compact wide open. At what level does a salary become indecent – over ten million euros, perhaps?

Statutory regulation is not the solution. Salaries have to remain competitive internationally.

Because otherwise the top people will leave?

Precisely.

But that's nonsense. There's hardly any US corporate group with a German CEO.

Please make no mistake. German managers are very much in demand for their qualities. You can find them everywhere, even if not yet in CEO positions.

What qualities are attributed to German managers?

Traditional values and qualities such as reliability, perfection, innovation. Engineers, particularly, are very much sought after. Someone coming for example from Bosch has great prospects in America.

Is the German economy well-regarded internationally?

The SME sector with its solid, family-run enterprises is enviable. But there is one global trend that troubles me greatly. Increasingly, US and UK asset management companies and funds are buying up shares in German companies. Even if it is not something that many of them find easy to do, managers need to learn how to negotiate with these uncomfortable shareholders, who can appear to be extremely aggressive.

For the most part, they are calling for company divestments or special dividends, in order to make a killing. It's not something to be welcomed, necessarily.

But that attitude does not help. If you do not negotiate privately with them, you might be ousted publicly.

As is happening at the moment with Adidas CEO Herbert Hainer? Some shareholders are now demanding, more or less brazenly, that he should go.

These demands will continue to come: The numbers of shareholder activists are growing worldwide. We can trace the power struggles precisely by looking at new appointments to supervisory boards. More and more clients are coming to us and saying:

Find us someone who knows how to deal with this fund, which has our company pinned to the floor.

