



Central Europe

# Executive Search Market Outlook



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# 01. Introduction

**This report calls on IIC Partners search consultants from five countries in Central Europe - Germany, Austria, Switzerland, Czech Republic, and Slovakia - to explore the executive search industry outlook and emerging HR trends for 2025.**

Over the last year, the executive search industry faced significant challenges, including a slowdown in client demand, economic pressures, and political uncertainties. Despite these hurdles, acquiring top leadership talent remains vital as companies navigate evolving workforce dynamics and prepare for a gradual economic recovery in 2025. At the forefront of demand are executives skilled in digital transformation, cybersecurity, sustainability, and cost optimization, matching organizations' need to innovate while meeting market challenges head-on.

Yet the market realities are not uniform across the entire region. Switzerland is an outlier with dynamic growth driven by demographic changes and fierce competition for skilled labor. Germany and Austria have faced increased hiring freezes and cautious investment due to the recession. Slovakia and the Czech Republic have been navigating complex political movements, tighter salary budgets, and skilled worker emigration, resulting in a challenging search market. These contrasts underscore the importance of tailoring talent strategies to each market's unique conditions.

Turning to HR trends for 2025, there is a rising demand for transparent salary structures, diversity-focused recruitment strategies, and flexible work arrangements. Companies are also responding to changing priorities from new generations, including a desire for purpose-driven work, personal responsibility, and better work-life balance while adapting to broader economic and technological transformations. The HR product market continues to grow, driven by the rise in AI-powered tools.

This report delves into these dynamic trends, equipping you with the knowledge to address market uncertainties and seize opportunities in 2025. As your trusted partner in executive search and leadership consulting, we remain committed to helping you secure the right talent to lead your organization into a successful and sustainable future.



**Christine Hayward**

Executive Director

IIC Partners

## 02. How has the Executive Search industry changed over the last 12 months and what do we expect in 2025?



**Eblinger & Partner:** The executive search industry has experienced a decline in client demand and a stagnant top-tier market in the past year. Europe's recession has prompted companies to cut costs and reduce risk, hindering growth and investment. We expect the situation to improve in 2025 as the economy gradually recovers.



**ingeniam:** The executive search industry in Germany was under pressure in 2024 due to the recession and political environment. Many clients are under economic pressure and facing more hiring freezes. This development will either accelerate in 2025 or hopefully, due to significant changes, be able to make a turnaround. Even in areas of growth, companies will be more selective in candidate profiles which will increase the effort required to fill positions and impact profit margins for search firms.



**Level Consulting:** The executive search industry in Switzerland has seen dynamic growth over the past year. Demographic change is driving the shortage of skilled labor. For companies, this poses new challenges for their employer branding and recruiting strategies in order to find, attract and retain enough highly qualified specialist staff. The competition for skilled labor is becoming increasingly fierce. Personnel recruitment and retention must be completely redefined, (re)structured and established in many companies.

The recruitment process is also heavily influenced by digitalization and is shifting to new channels such as social media. Technology, particularly AI, has optimized the processes of identifying and evaluating leadership talent. This trend is expected to continue into 2025, focusing on efficiency and objectivity through data-driven decision-making. Companies are increasingly relying on specialized search services to secure the right talent for digital transformation initiatives.



**Teamconsult Czech Republic:** 2024 was a year of many uncertainties. The elections in the U.S., the instability of the German government, and the ongoing war in Ukraine caused investors to be cautious. Companies are hesitating to recruit and if they finally decide to hire new staff, they are extremely demanding regarding candidates' qualifications. Combined with tight salary budgets, searches can be difficult and sometimes even impossible.



**Teamconsult Slovakia:** The executive search industry in 2024 was shaped by a complex global environment. Political uncertainties contributed to widespread caution, and local struggles in politics and the mind shift of inhabitants made the situation even worse. As a result, hiring decisions were often delayed, scaled back, or postponed. Looking ahead, there is a growing demand for executives skilled in cost optimization, process efficiency, and people leadership. This shift signals a more strategic approach to recruitment, focusing on value creation amid economic issues.



## 03. Which industries and functions are most in demand in 2025?



**Eblinger & Partner:** We expect a comeback for all industries in 2025. The first movers will be companies that were not hit hard in 2024 and were able to maintain or even slightly grow their market share, contrary to the general trend. These are companies that invested in sustainability early on and were able to jump on the ESG bandwagon. In terms of positions, Sustainability Managers will continue to be sought after, but also financial experts who can manage ESG reporting from the finance department.



**ingeniam:** We expect ongoing demand in areas like professional services (e.g. Tax and Audit) due to the recession, as well as in legal services and corporate finance management consultancies. Our consultants will provide support for all functions, particularly those undergoing restructuring or facing high demand in the job market. Because some companies will move their activities to other countries, there are opportunities for more international collaboration with our global partners.



**Level Consulting:** High demand is expected in the following industries and roles in 2025:

- **Technology and IT:** Chief Information Officers (CIO) and Chief Technology Officers (CTO) are critical for digital transformation. There is also a higher demand for security experts, due to the rapid development of computer processing that is creating new security gaps (e.g. RAS), which must be compensated for by new technologies (e.g. hybrid quantum computing).
- **Healthcare and Biotechnology:** Leadership roles in research, development, and healthcare management.
- **Financial Services:** CFOs, risk management experts and compliance officers.
- **Sustainability and Environmental Management:** Leaders who can develop and implement sustainable strategies.



**Teamconsult Czech Republic:** Pressure on earnings will favor managers with strong cost-cutting skills and process-oriented capabilities. Companies will put their processes under review and further streamline their cost structures. With interest rates likely to decrease further, the real estate development and construction industry should improve. Reduced inflation levels will support the retail and consumer goods industry. Automotive on the other hand will have another difficult year, due to the transformation to e-mobility and rising pressure from international competitors.



**Teamconsult Slovakia:** In 2025, we anticipate divergent trends:

- **Growth Opportunities:** The real estate and construction sectors are expected to benefit from new development projects and revitalization efforts due to easing interest rates. Similarly, the consumer markets sector will benefit from improved consumer confidence as inflation continues to stabilize.
- **Ongoing Challenges:** The automotive sector faces challenges to maintain profitability while transitioning to e-mobility, exacerbated by competition from Chinese and Korean manufacturers. Companies in this space will require leaders with the vision to navigate technological disruptions and global market pressures.

## 04. Which compensation trends do we expect for 2025?



**Eblinger & Partner:** Compensation will remain a hot topic. Due to demographic change, there are shortages of candidates for top positions. These candidates can demand significantly higher salaries than the average. In addition, ongoing inflation is leading to continuous increases in salary demands. Many companies will face a major challenge in terms of gender pay gap transparency and future salary disclosure when it comes to paying new employees significantly more than existing ones.



**ingeniam:** Remuneration packages, along with declining career mobility and evolving work conditions (such as remote work), will be key topics in 2025 in regions facing talent shortages. However, candidates from traditionally high-paying sectors (e.g., automotive, chemical industry) will need to adapt to a market with fewer positions and more unemployed candidates: some can expect increasing packages, while others may need to accept lower-paid roles in recession-hit areas.



**Level Consulting:** The competition for top talent and inflation will continue to drive salaries upwards. Companies are increasingly offering flexible compensation packages that include bonuses, stock options, and non-monetary incentives such as remote work or flexible schedules. Salary increases, depending on the respective industry, are projected, which could boost private consumption.



**Teamconsult Czech Republic:** As inflation is mostly under control, salary rises will be more moderate compared to 2023 and 2024. AI will have a growing impact on the labor market including in professions requiring higher education. This should improve productivity but might also make people redundant, even if they are at an expert level. This again could reduce pressure on the labor costs of existing staff.



**Teamconsult Slovakia:** The labor market in 2025 is expected to see a moderation and stabilization in salary growth as inflation reduces. With the rapid increases seen in recent years, organizations are likely to adopt a more balanced approach to compensation. However, the integration of artificial intelligence into workplaces will have profound implications. On the one hand, it will boost productivity, but it also poses a risk of redundancy for roles traditionally requiring higher education and specialized skills.



## 05. Highlight Viewpoints for 2025



"Many companies will face a major challenge in terms of gender pay gap transparency and future salary disclosure when it comes to paying new employees significantly more than existing ones."

"Restructuring and collaboration with global partners present opportunities to navigate challenges and drive growth in key sectors."



"Executives are expected to embed sustainability goals more deeply into corporate strategies, making leadership roles in environmental management pivotal for the future."

"Stable inflation will support the retail and consumer goods industry, while decreasing interest rates should unlock new opportunities in real estate development and construction."



"The integration of artificial intelligence into workplaces will profoundly impact productivity, but it also poses a risk of redundancy for roles requiring higher education and specialized skills."

## 06. What are some other HR Trends we are seeing?



**Eblinger & Partner:** As an HR trend, we are seeing an increased demand for salary information from both companies and candidates. Additionally, we receive many inquiries about how to implement diversity in recruiting and provide consulting services to leaders, management teams, and human resources departments.



**ingeniam:** Working conditions will become more and more in focus. "New Work" will have to be discussed more than ever and executives and their organizations will have to manage product quality output in times of increasing home-office demands. Leadership will have to come into focus.



### **Level Consulting:**

- **Diversity and Inclusion:** The emphasis on diverse and inclusive leadership teams remains pivotal.
- **Work-Life Balance:** Flexible work models such as the 4-day workweek or fully remote work are becoming standard.
- **Sustainability:** Executives are expected to embed sustainability goals more deeply into corporate strategies.
- **New Generations:** Moving away from long-term employment relationships towards frequent job changes and 'patchwork' CVs. New Generations are no longer enticed by companies (only) through material values. Instead, they are looking for meaning in their work, personal responsibility, flexibility and a good work-life balance.



**Teamconsult Czech Republic:** In a continuously difficult economic environment, employers will critically review their organizational structures and the portfolio of their employees, using advanced diagnostic tools that evaluate personalities and skill structures. Any HR tools supporting these processes will therefore see a rise in demand.



**Teamconsult Slovakia:** The economic uncertainties of recent years have prompted businesses to critically evaluate their workforce structures. In Slovakia, 400,000 skilled and educated professionals have migrated away in past years. In 2025, this trend will continue.



## 07. Which HR products will see increased demand in 2025?



**Eblinger & Partner:** We see a growing demand for diversity and inclusion training at all levels, starting with leadership teams, but also importantly for all employees. At the executive search level, there is a demand for ESG-compliant search processes to differentiate oneself against competitors.



**ingeniam:** As restructuring will remain a vital topic, all products around this trend will have a chance to grow. Leadership coaching will also likely have an increasing demand, however, there are many educated trainers in this market, making it difficult to develop a business with good margins and high utilization.



**Teamconsult Czech Republic:** AI tools to streamline HR processes, outplacement services in connection with staff redundancies (i.e. closure of plants, streamlining processes), and HR development tools to fill the gap between the demand of the companies and the available skills on the labor market.



**Teamconsult Slovakia:** Employers leveraging advanced diagnostic tools to assess employee capabilities, potential, and personality alignment. These tools will enable data-driven decisions about workforce planning and talent management. Additionally, AI-powered HR technologies are expected to play a transformative role in streamlining recruitment, performance evaluation, and talent development processes.



**Level Consulting:** Companies are increasingly adopting HR products that support both technical and cultural transformations:

**AI-powered Recruitment Tools:** These enhance efficiency and diversity in hiring processes through automation.

**Learning and Development Platforms:** These facilitate continuous learning and support leadership and teams in navigating cultural transformation.

**Employee Retention Programs:** Strategies aimed at boosting satisfaction and retaining talent in the long term.

**Support for Cultural Transformation:** Programs designed to assist leaders and teams in adopting new values and work methods, including change management workshops and feedback tools.



# Contributors

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