



THE ANNUAL INTERIM EXECUTIVE SURVEY 2022

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The Annual Interim Executive Survey 2022

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OVERVIEW

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FOREWORD FROM BEN

New ways of working

The future of work is a misleading term. Often we rightfully think of the future as further down the track. But the future of work is already here: work has been majorly disrupted, new ways of working are emerging, and automation is ramping up.

People choosing contingent work, now often referred to as the “alternative workforce”, are also playing a big part, though as a construct the alternative workforce is nothing new. In recent years we’ve seen increased adoption of gig work, offshoring, outsourcing, and contracting – so much so that some commentators are predicting up to 80% of the Australian workforce will be contingent labour by 2030. And one such contingent working arrangement is the Interim Executive.

While a lot of this is not new, it was definitely accelerated by the pandemic. When COVID-19 first hit we saw an almost immediate shake-up in the Australian labour market. Labour mobility was the lowest on record before the pandemic according to the Australian Bureau of Statistics (ABS), with people re-evaluating the importance of job stability and financial security. But two years into the pandemic, the ABS reported a huge rise in turnover and record numbers of job vacancies in February 2022 – the highest level of job mobility in a decade. And the balance of power now firmly sits with the employee, not the employer.

Workers’ priorities and expectations have changed, challenging the notion of the permanent, full-time nine-to-five worker.

Workers are seeking greater choice and control over their employment arrangements, which might mean going part-time or doing gig work and – at the executive level – interim arrangements are increasingly popular.

The War for Talent is not just being driven by employees: organisations are being forced to consider alternative resourcing arrangements to fill critical skill gaps for specific periods of time.

Whether it be driven by changes in employee preferences or the necessity of employers to meet workforce demand, we are undoubtedly embarking on a new frontier of work. And it is being led by a new kind of employment arrangement: the alternative workforce.



Dr Ben Hamer
Head of Future of Work,
PwC Australia

Ben is one of the leading voices on the future of work. He is an author, podcast host, media commentator and keynote speaker on this topic.

WELCOME FROM DAVID

The future of work is here

As the world has grappled with the challenges of the last three years, organisations have been severely tested on what the future of work might look like. What is clear now is that we have arrived: the future of work is HERE and NOW, and the alternative workforce is playing a key part.



We know the alternative workforce is growing worldwide. In the US, for example, more than half the workers surveyed by freelance platform Upwork in late 2021 said they are likely to freelance in the future. Meanwhile, freelancers contributed US\$1.3 trillion in annual earnings to the US economy last year, up US\$100 million from 2020. This growth was driven by an increase in the number of highly skilled, remote freelancers that left full time employment for flexible work alternatives.

Australian workers are following similar trends. And as you will see in the results of Watermark Search's 12th Annual Interim Executive Survey, there are plenty of signs the Great Resignation is happening here too.

Significant increase in the number of highly skilled, remote freelancers.

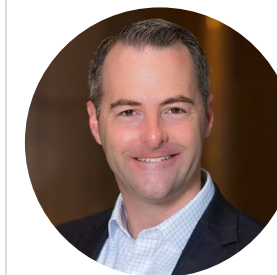
The Interim Executives we surveyed told us they were motivated by their experiences of the pandemic to re-evaluate their careers and lifestyle choices. The result is a big shift in the balance of power from the organisation to the individual.

In turn, organisations are having to respond to the Great Resignation by looking outside of the traditional channels to source talent. And they're finding one of the best ways to address skills shortages is to tap into a highly skilled, diverse Interim Executive talent pool that is readily available and adept at dealing with the ambiguity of our current times.

The opportunity organisations face now is to capture and transfer the knowledge held by seasoned Executives and use it to drive their business objectives forward.

Our team passionately advocates for our Interim Executive cohort and we enjoy partnering with organisations looking to access this talent. As always, all of us are ready to answer any questions or help you in any way.

We look forward to sharing our expertise with you.



David Evans
Managing Partner
Watermark Search

EXECUTIVE SUMMARY

A new reality – the alternative workforce

Demand for interim C-suite leaders has risen as a direct result of the pandemic. Most people we speak with are reconsidering how they wish to work, along with the Why? What? Where? and for Whom?

Rather than exiting the workforce completely, many more executives are now considering an Interim Executive career. We have been busy meeting them and bringing them into our network because we know these executives are at the top of their game. They have many years' experience and deep subject matter expertise, and they are in the best frame of mind to mentor teams crying out for leadership and direction post-pandemic.

So, what does the post-pandemic employment market look and feel like in Australia?

Organisations are facing stiff competition for talent caused by multiple factors, including the effects of the Great Resignation, pandemic fatigue, extended leave, lack of solid succession plans, an out-of-date employee value proposition (EVP), longer search processes and counteroffers.

Interim Executives are filling many of those gaps very effectively. The Interim Executive cohort is immediately available and ready to embed very quickly to transform organisations effectively.

This talent is being referred to as “the alternative workforce”. In a tight labour market organisations need to be open to accessing talent from every available source, so if they are only considering people looking for a permanent role, they are missing out on a large pool of talented employees who can serve effectively for the interim.

The good news for businesses is the Interim Executive cohort grows the available talent to deliver on their objectives. Historically, interim roles have often been seen as a crisis management or gap-fill solution. Now this model has become mainstream as a part of a much broader hiring mix that acknowledges alternative career choices.



The Interim Executive cohort is immediately available and ready to embed very quickly to transform organisations effectively.

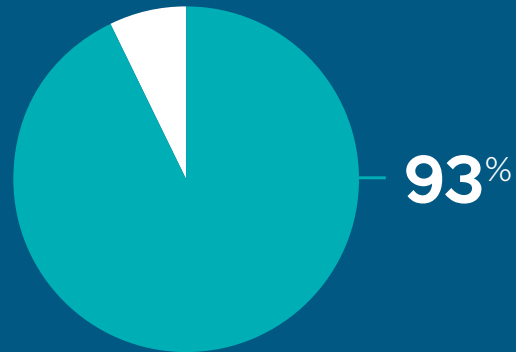
EXECUTIVE SUMMARY continued

The Great Resignation or Great Reflection?

Australian businesses are certainly feeling the effect of a great reset in the labour force triggered by the pandemic. Not surprisingly, after adopting new working practices, workers at all levels want more choice in where and how they work.

78%

Hybrid working and working from home were nominated as highly desired in early 2022 by almost four in five workers (78%) surveyed by Swinburne Edge and Deloitte Australia for a report aptly titled [Reset, Restore, Reframe: Making Fair Work FlexWork](#). The same report also found wellbeing is top of mind for 93% of the 2000 workers surveyed.



This desire for great flexibility has risen significantly since earlier research in January 2021 for Gartner's [2021 Hybrid Work Employee Survey](#) of more than 2400 knowledge workers.

Back in early 2021, nearly two thirds (65%) of workers asked about how the pandemic changed their feelings about work and life agreed with the statement: "The pandemic has made me rethink the place that work should have in my life"; and just over half of respondents (52%) agreed the pandemic made them question the purpose of their day-to-day job.

These big questions about work are driving workers to seek out and move on to new and more flexible opportunities noted the authors of PwC's [What Workers Want Report 2021](#):

“

While there are large numbers of workers on the move, which would historically signal a healthy economy, our new research study of 1800 Australian workers found that 38% are looking at leaving their current employer in the next 12 months. That's why Australian workers will soon be on the move in much larger numbers than we've seen in recent times: The Great Resignation.

And this movement isn't going to slow down noted Chris Howard, Gartner's Chief of Research, [commenting on the findings of Gartner's 2021 Hybrid and Return to Work Survey](#):

"The Great Resignation is a pretty accurate description of what's happening – at least in certain locations and within certain employee groups. But it still describes the symptom, not the cause. More important, it focuses – as do terms like 'reshuffle' – on the impact felt by employers.

"What is happening now is happening to people, to humanity. Gartner research confirms that the intent to leave or stay in a job is only one of the things that people are questioning now as part of the larger human story we are living. You could call it the 'Great Reflection'"

For many organisations it is unsettling to see so many leaders leave for more flexible work opportunities. They might try to manage the knock-on effect through the traditional permanent search process, but this approach is proving slow and difficult in the current job market.

Skilled workers are questioning what is important to them, though we know many of them are interested in interim assignments and we see excellent opportunities to tap into probably the most under-utilised talent pool in history.

As our research shows, organisations can benefit from the Great Resignation or Great Reflection – if they are willing to change their thinking.

EXECUTIVE SUMMARY continued

The War for Talent

The War for Talent is not a new problem for Australia, where talent shortage has always been an issue in certain areas, but the pandemic certainly exacerbated it.

The growth sectors reflected in our survey – Health, Government and Not-for-profit – need to tap into executives with proven sector experience or be open to fresh ideas by bringing in leaders from other sectors.

Though with a limited pool of people looking for a permanent executive role in Australia, what we are hearing is that organisations need to look beyond just those executives who only want permanent work and consider executives with the right skills and experience who choose to work differently.

We see the Interim Executive pool effectively bringing a whole new cohort of talent to the market. Therefore, organisations not considering this alternative talent pool are missing out on an increasingly large group of highly experienced people. In a labour short market, no business can afford to not consider the whole talent base.

We are also seeing the balance of power shift from the organisation to the individual. In the War for Talent, organisations can no longer dictate the terms of work like they used to. Increasingly individuals are saying,

“

I have the right skills for the role, and this is how I would prefer to work.

Now we have a labour market where demand for talent is high, highly experienced workers are well-positioned to demand work suits them, not the other way around.

This major power shift was hinted at several years ago, including in [November 2018 research by The Josh Bersin Group](#), which found the nature of the work itself was the most important factor (26%) for inspiring workers, making them happier, and making them want to work harder, followed by the opportunity to learn and grow (19%). The type of work people are engaged in rated twice as important as culture and four times more important than money.



26%

The nature of the work itself was the most important factor (26%) for inspiring workers, making them happier, and making them want to work harder.

The nature of work is even more important in 2022 as Chris Howard, Gartner Chief of Research, explained in a January 2022 interview:

“People want purpose in their lives – and that includes work ... Monetary compensation is important for surviving, but deeper relationships, a strong sense of community and purpose-driven work are essential to thriving. This is the value that employees expect their employers to provide.”

Employers have also had to contend with borders shutting during the pandemic, which restricted them from bringing in experienced and skilled leaders from international markets. Now the borders have re-opened we are experiencing a drain of talent as skilled workers return to their homelands to reunite with family. We believe this tide can be turned by businesses engaging Interim Executives.

EXECUTIVE SUMMARY continued

Get smart: hire higher skills

Businesses that want to accelerate transformation should consider tapping into the larger (sometimes not always visible) Interim Executive talent pool to bring in someone with extensive knowledge and experience for a short period.

While the business may not be able to access or afford this talent in a permanent role, it can solve its pressing needs by over-hiring an Interim Executive's experience or "superpower" to lead a specific project or time-critical event. As a short-term arrangement, over-hiring can be mutually beneficial for organisations seeking rapid outcomes and Interim Executives looking for purposeful work with more flexible terms than those offered in a permanent role.

From contingent to full time

While most interim assignments are short-term solutions, there is growing interest among Interim Executives who complete an interim assignment to be invited to become the permanent executive.

We place an Interim Executive to fill a gap and they perform very well. Then if both parties believe they are well-aligned in values and culture, it becomes a very real and desirable option for the Interim Executive to be offered – and accept – a permanent role.



67%

At Watermark Search we have seen the number of conversions to permanent increase by a massive 67% in FY22 compared to those in FY21. We are attributing this increase in interim to permanent conversions to the currently very tight talent market.

Successful succession

Organisations will have usually identified succession planning for their most critical roles. However, in the current environment all best laid plans are being challenged.

With unexpected resignations and aggressive head-hunting, engaging an Interim Executive is proving to be a very effective short-term solution.

Even if an organisation has some internal options, the Interim Executive option adds an extra layer of security and governance should an organisation need to enact Plan B.

We have recently helped several organisations successfully manage Emergency Succession Plans including, for example, a regionally-based client in the Higher Education sector:

Our client contacted us during the pandemic lockdown in 2021 to help with an Emergency Succession Plan because the Director of Human Resources had resigned.



The organisation's Plan A was to backfill the role with the Deputy Director of HR while undertaking a permanent search. Unfortunately, due to fatigue and associated illness caused by Covid-19, the Deputy Director was on sick leave and not available to fill the gap.

Faced with a huge organisational risk, our client enacted Plan B and contacted Watermark Search for an interim solution. We found an Interim Director of HR who was suitably experienced and – importantly – available immediately to engage with the team and hit the ground running. The Interim Director had the capacity and bandwidth to cover both roles for the short-term until the Deputy could resume their role and the permanent search could be completed.

This example is one of many demonstrating the power and value of the Interim Executive cohort.

We have found highly talented Interim Executives are ready to help organisations fill skills gaps for the short-to-medium term, drive rapid organisational transformation or provide a viable Plan B for succession. And we are confident your organisation can benefit from this growing pool of talent.

SURVEY HIGHLIGHTS

The alternative workforce – an antidote for the War for Talent

55%

of respondents believe attraction and retention of talent is the biggest disruptor to business strategy in 2023.

73%

of respondents believe the pandemic has highlighted the benefits of the interim solution – the alternative workforce.

50%

of respondents see steady growth for the interim solution in the next 12 months alongside more traditional “build” and “buy” models.

Seismic power shift from organisation to the people

56%

of respondents are seeking out more flexible work assignments.

58%

of respondents want assignments that are purposeful.

50%

of respondents are re-evaluating their career and voting with their feet post-pandemic, making the move to interim.



Two in three women are pivoting their careers.

Employers double down on Employee Value Proposition (EVP)

Top 5 EVP levers employers are pulling to give workers a compelling reason to stay:

- 1 Hybrid working
- 2 Flexibility
- 3 Culture
- 4 Meaningful work
- 5 Aligned values

Cyber and C-suite capability top the list for skill deficiency in 2022

44%

of respondents cite cyber as an “urgent skill gap” in the organisations they engaged with, identifying cyber as a pervasive threat to businesses in the digital era of global connectedness.

43%

respondents reported C-suite capability as an “urgent skill gap” in the organisations they engaged with.

000

Two in three respondents worked on a C-suite assignment in 2022, making C-suite the “sweet spot” for Interim Executives.

THE EXECUTIVE

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THE INTERIM EXECUTIVE AVATARS OF 2022

The interim avatars of 2022 actively pursue interim assignments as their career choice. We've named them Erika and Ian. The variety of assignments, the breadth of sectors they work across, and the flexibility they gain through contracting have cemented this way of working as their Plan A. The pandemic has inspired them to adopt portfolio working.

As life-long learners, curious, well read, digitally literate and networked, Erika and Ian ensure their knowledge is relevant by staying informed of market trends, and proactively developing new skills through short courses, professional and industry development. They find promoting their uniqueness increasingly challenging in today's market where degrees of separation are few, so they actively nurture a healthy network to give them a competitive advantage in securing a pipeline of work.

Over the last decade they have consistently been valued for their superior stakeholder skills. During the pandemic the importance of their relational skills has amplified, as they have increasingly led teams and solved problems in a remote and hybrid working environment.

Above all, their clients claim Erika and Ian bring a depth and breadth of experience to their work, and are sought for their objective and calm counsel, can-do attitude and speed of impact.

In the last 12 months, Erika has typically been looking for an assignment less than one month and is paid a daily rate of \$1300-\$1500. She is 50-59 years old. Erika is engaged as an interim CEO for 20% of her assignments and as an interim General Manager for two in three assignments. She has been kept busiest in the Healthcare, Government and Not-for-profit sectors, and relative to Ian, busier in Financial Services. You will find Erika working on business transformation (predominantly cultural change) and often within the Human Resources and Legal departments.

Ian's age spans the 50-59 and 60+ brackets equally. Ian is paid more than \$1500 per day in 25% of his assignments and \$2000+ per day in a further 20% of assignments. He is engaged as the interim CEO for one in three of his assignments and fills C-suite roles for two in three assignments. Like Erika, he has been kept busy in the Healthcare, Government and Not-for-profit sectors. Relative to Erika, he is busier in Manufacturing, FMCG and Technology Services. Functionally, Ian is supporting Finance, IT and Supply Chain in the organisations he works with.



The interim avatars of 2022; Erika and Ian.

INTERIM AVATARS 2022: ERIKA AND IAN



Female



32%

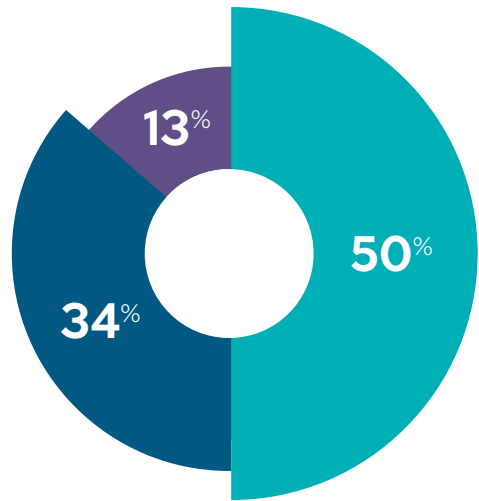


Male



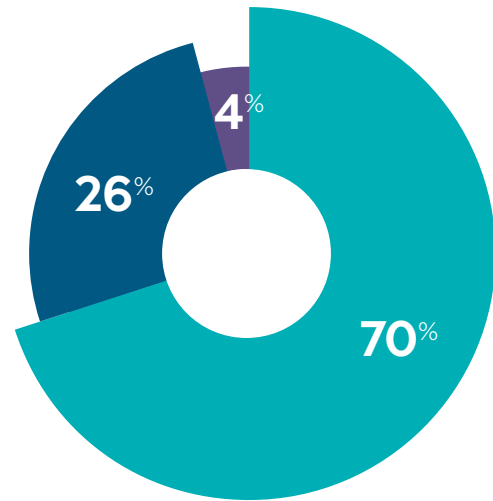
68%

Age



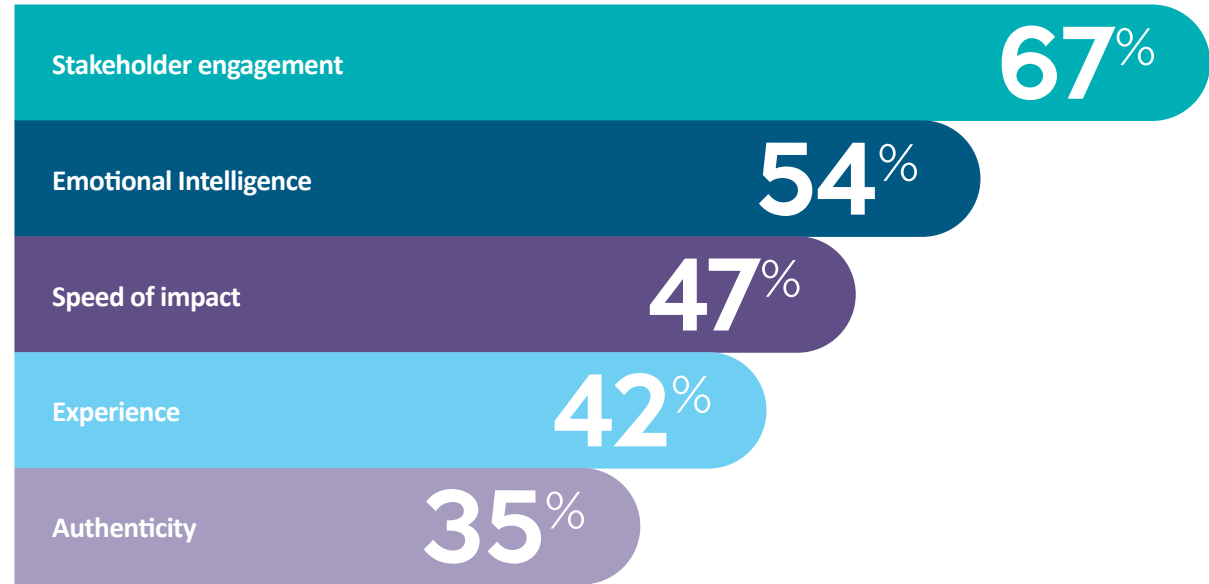
50-59 60+ 40-49

Commitment to Interim



Most committed Committed somewhat Not committed

Power skills



Preferred ways to maintain relevance

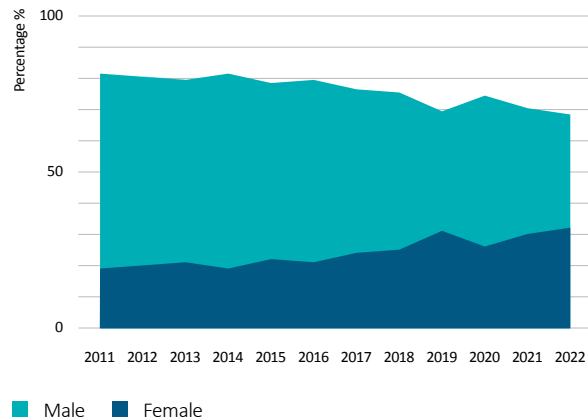


Continuous learning

- ✓ Reading
- ✓ Research
- ✓ Networking
- ✓ Short courses
- ✓ Professional development
- ✓ Industry updates

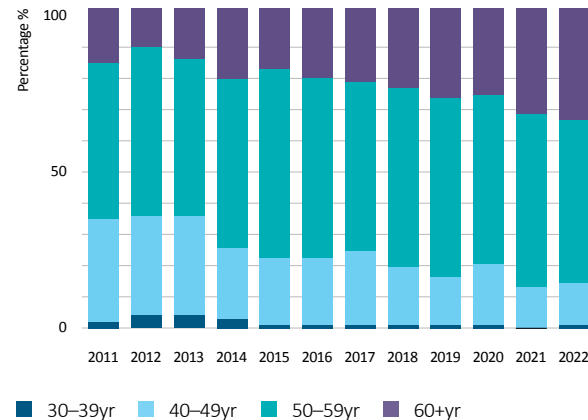
EXECUTIVE SURVEY RESULTS 2022

Gender – is diversity improving?



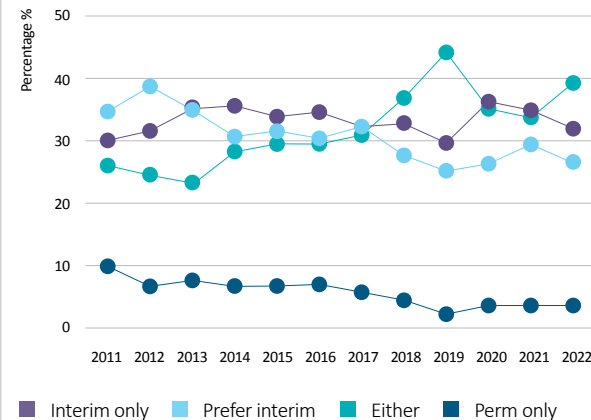
In the 2022 survey we see the highest female representation at 32%. For the first eight years of our survey, female respondents ranged 20-25%, with a step change in the last four years to 30%. We predict this trend will continue to rise, and there will be more equal gender representation by 2040. At Watermark Search our gender representation on assignment over the last 12 months was 57% male and 43% female.

Age and stage of life choices



Half the respondents across the 12 years of our survey have consistently represented the 50-59 age group. As our respondents age we are seeing an upward trend for the 60+ age group, representing more than a third of Interim Executives, and an equal downward trend in the 40-49 age group. This representation of older workers is not surprising given increases in average life expectancy, people working for longer and the financial flexibility often experienced later in life.

Commitment to Interim – a growing career plan choice

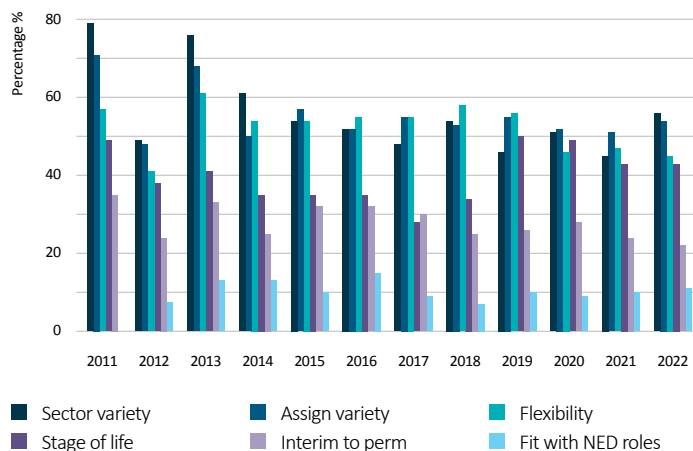


Commitment to Interim Executive as a career choice or Plan A has generally trended upwards across the 12-year period of this survey. In 2011 it was 26%, rose to a peak of 43% in 2019 and is now settling at 39% in 2022. A consistent third of respondents prefer interim as a way of working and will consider permanent opportunities. We predict growth in this previously untapped talent source will soar to a new peak by 2030, driven by the effects of the “Great Resignation/Great Reflection” coupled with one in two executives making career changes because of pandemic fatigue.

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I was connected with Watermark by a network leader and had an incredibly positive experience from day one with support, briefing for roles, regular checks in, always on your team and feedback. I could not imagine working with anyone else. A true partnership leader.

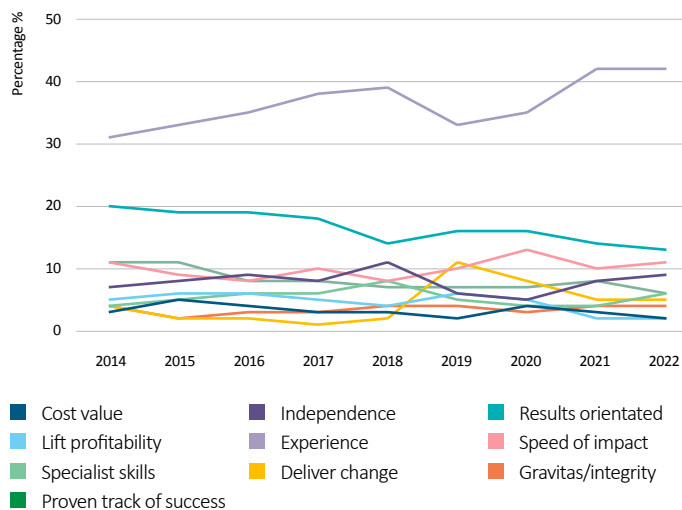
Work variety and flexibility matter most



Throughout the 12 years we have surveyed Interim Executives the “Why” (variety of assignments and sectors) and the “How” (flexibility) have resoundingly remained the key drivers engaging respondents in their interim careers. In 2022, sector variety was rated important by 56% of respondents, assignment variety by 54% and flexibility by 45%. These trends are supported by [Josh Bersin Research in November 2018](#) citing, “... the nature of work itself (i.e. meaningful work) is twice as important as culture and four times more important than money”.

Stage of life has grown as a factor from 35%-50% pre-pandemic and remained constant at mid-40%.

Interim Executives bring deep experience to organisations



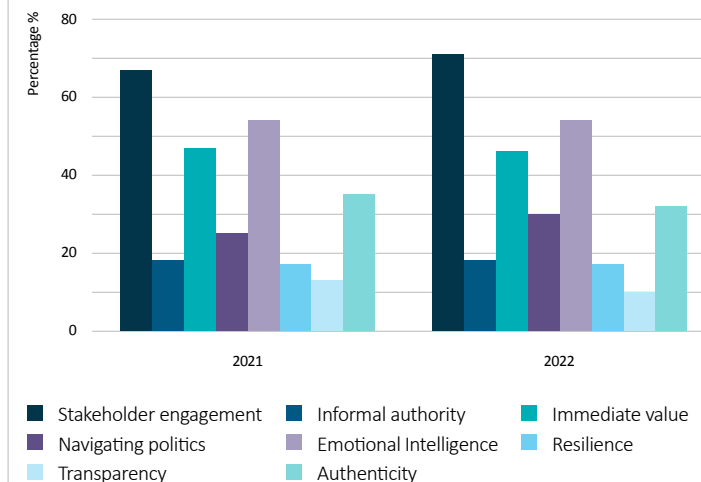
Deep experience is a defining attribute Interim Executives bring to the organisations engaging them, closely followed by their abilities to deliver results. These hallmark traits are much appreciated when organisations experience unforeseen circumstances and need an Interim Executive at short notice. An Interim Executive who brings greater breadth and depth of experience than the person they are replacing – and can deliver results rapidly – is a perfect antidote. During the pandemic we saw an increase in “speed of impact” and “independence” as defining attributes of Interim Executives. We predict organisations will continue to appreciate these defining traits as the pace of change accelerates and the economic environment remains volatile over the next five years.

The 2020 report [Soft skills, strong impacts](#) by McKinsey, which was based on its global survey on reskilling noted:



The pandemic has dramatically accelerated the need for new skills in the workforce, with social and emotional intelligence skills high in demand. The proportion of companies addressing empathy and interpersonal skills doubled in 2020.

The pandemic amplified the need for strong relational skills



The key strengths valued in Interim Executives continue to be “human” skills such as stakeholder engagement, emotional intelligence and authenticity. The latter is defined by the ability to engage quickly and meaningfully, understand relationships within the organisation, build alignment, get decisions made and work completed.

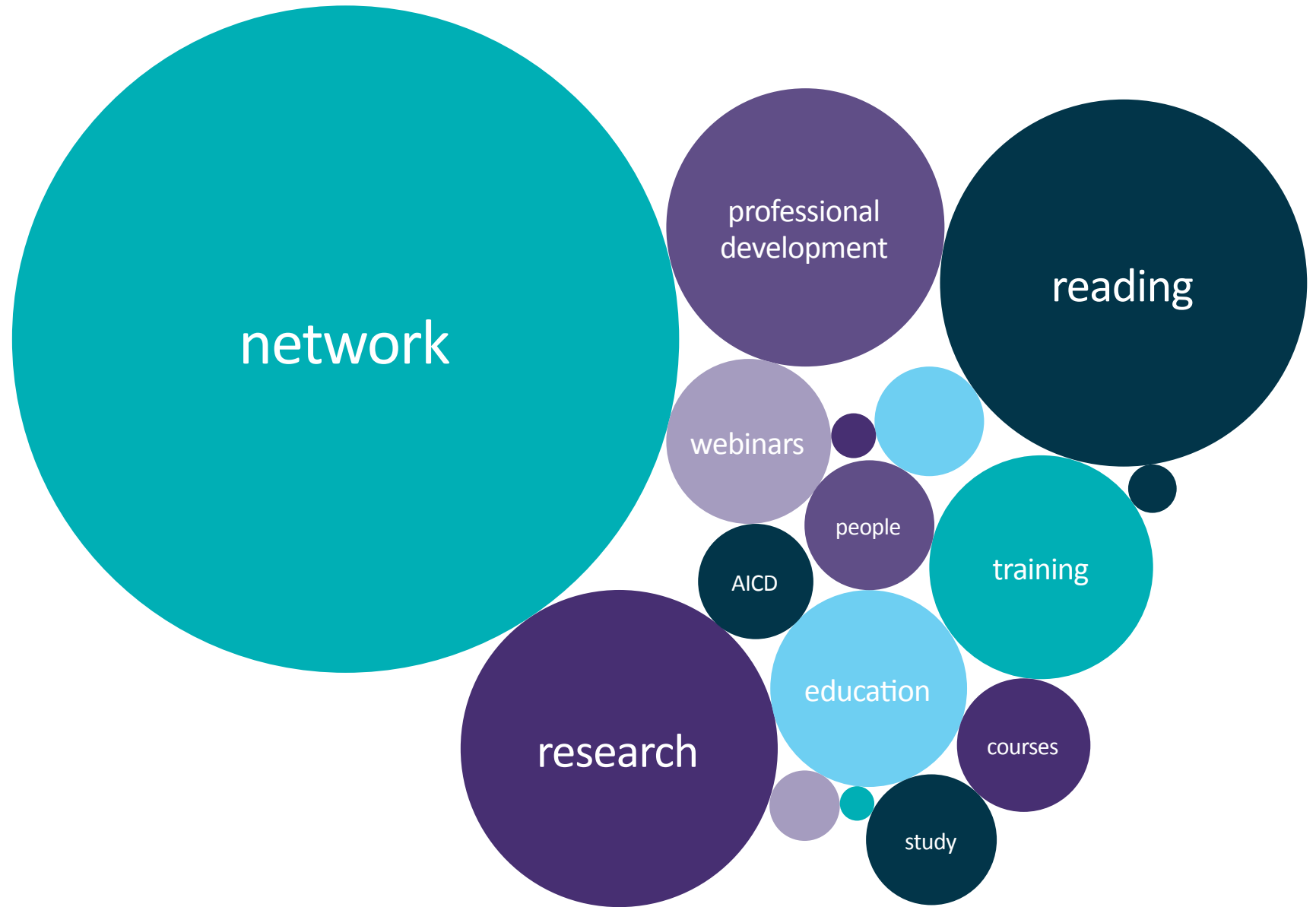
The value of “relational” skills has been magnified through the pandemic years, including abilities to hold one’s nerve in volatile environments, provide clear direction when not all information is available, provide a “calm voice of reason” and connect authentically with teams and peers in a hybrid environment. We predict these skills are now a “ticket to the game” in the work environment of the 2020s and the fundamental “superpower” of an Interim Executive.

Interim Executives – How do they do it?

Interim Executives have an edge in the market by remaining relevant. “How” they remain relevant has endured across the 12 years of Watermark Search’s survey. They actively pursue development opportunities such as courses, research, reading, networks, professional development, industry forums, and a variety of assignments and projects. Participation in these activities has evolved from predominantly domestic, face-to-face means 10 years ago to a combination of virtual and in-person. The rapid explosion of the digital economy has made access to international, world class thought leaders and development available at the click of a mouse, 24x7.

The typical Interim Executive is a life-long learner, curious, well read and networked. They value reinventing themselves, stay informed of market trends, proactively build new skills through professional and industry development opportunities and short courses, and apply everything they have gained repeatedly to new work environments and business problems.

Apply, reflect, repeat.



What do Interim Executives and recruitment leaders say about Watermark Search?



“Highly regarded firm. Good experiences as CEO in using Watermark; Good experiences as candidate.”



“Watermark is the leading interim partner – several others are in this space, but none deliver for both the client and the interim.”

“Breadth of client base, range of industries serviced, roles for which you recruit Interim Executives, and the people that I deal with at Watermark.”



“The Watermark team is supportive, authentic, known to put forward high calibre candidates and has an excellent reputation across all sectors.”

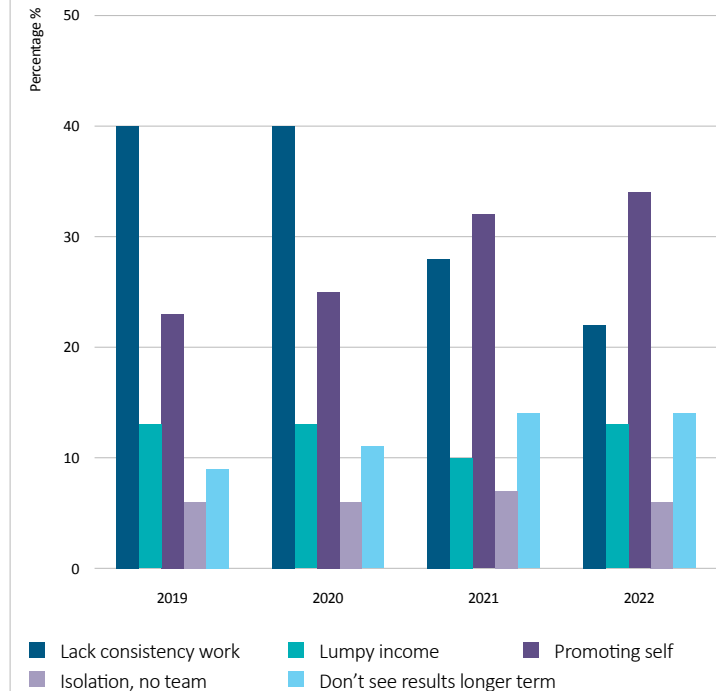


“Professional, good assignments, effective and realistic brief. Best experience at identifying roles and good fit with clients create the win-win.”



“Previous good experience of using Watermark’s services to fill an interim exec role. Watermark’s reputation and professionalism make it the leader in interim exec services.”

YOU are the Brand



Promoting yourself is consistently the biggest (and growing) challenge to being an Interim Executive. In a digital economy where reach into new networks is deep and accessible at a click, the ability to profile your unique value succinctly and assertively is vital to building a sustainable pipeline of work.

During the pandemic our respondents reported an increase in the consistency of work. We predict this trend will continue for several years, driven by the impacts of the Great Resignation, talent shortages in the market and understaffing due to the pandemic.

THE EXPERIENCE



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OVERVIEW

A shift in power from the organisation to the people

We have seen the interim way of working gain momentum over the 12 years we have been collecting data. Like the proverbial rolling stone gathering moss, it continues to grow in importance as organisations look at ways to source executive level talent. The main reasons an organisation brings in an Interim Executive with specialist skills are transformation (both operational and cultural) and change management. The functional roles in demand continue to be change, operations, finance, and human resources; and Government, For Purpose organisations and Financial Services have been mainstay sectors.



We are seeing a distinct shift in power from organisations to employees.

“

An organisation is only as good as the people it employs; those organisations that want to survive and thrive in 2022 will need to respond to the new power dynamic in kind. Look beyond financial goals to consider the needs of all their people. Treat employees as human beings, not parts of a machine. Break down silos and overcome remote working challenges to ensure people feel connected to the company purpose and vision and each other. Embrace the possibilities of the future and make work, work for everyone.

Noted Korn Ferry [Future of Work Trends Report 2022](#).

However, we are seeing a distinct shift in power from organisations to employees. In a post-pandemic world, employees are asking very human questions about the work they do and who they do it for. This is no exception for the Interim Executive. People want to work with other good people and be treated well.

Almost half of all respondents to the survey have re-evaluated and made changes to their careers because of the pandemic. Our data suggests, some of the ways organisations are changing in kind are through Employee Value Proposition (EVP) tools such as embracing hybrid work, providing more flexibility, ensuring work has purpose and meaning, and providing an environment where cultural values are strongly aligned to the work performed.

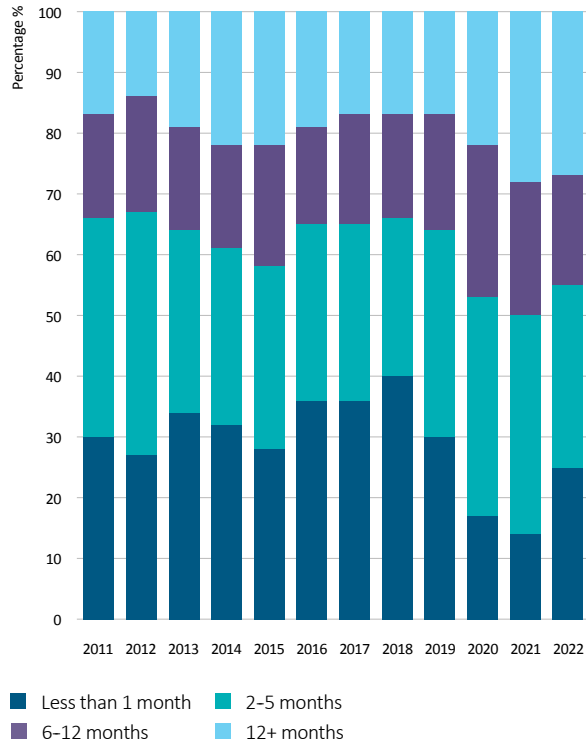
For the individuals working in an interim capacity, networking remains a huge part of the success of procuring work, and a partnership with a broker is a suggested way to compliment one's own network.

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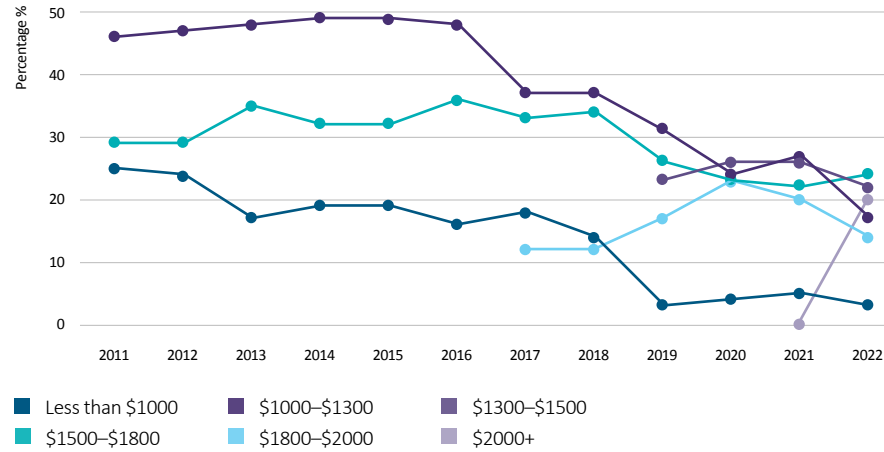
Almost half of all respondents to the survey have re-evaluated and made changes to their careers because of the pandemic

EXPERIENCE SURVEY RESULTS 2022

Downtime between assignments is consistently two to five months



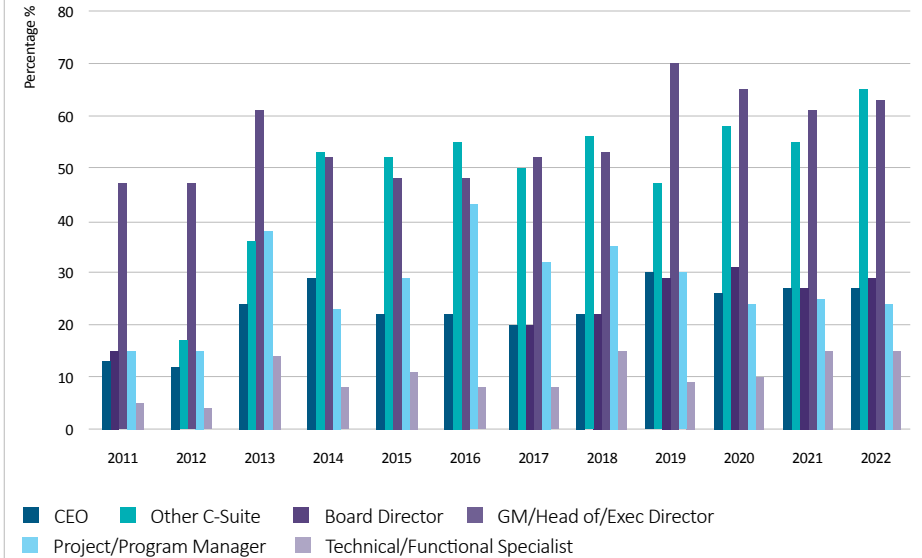
On the level – gender and the pay gap



Our Watermark Search data suggests an average interim daily charge rate for 2021/2022 of \$1400, with the range spreading from \$1000 to \$2500. Nearly half (46%) of respondents were in the rate range of \$1300-\$1800 per day, with another third targeting a rate of \$1800+.

A gendered lens on daily rates is revealing: one in five females reported working at \$1000-\$1300 per day, and another one in four tipped into the next bracket of \$1300-\$1500. For males, one in four secured rates of \$1500-\$1800, and one in five topped \$2000+. Overlaying the “level” interims were working at while on assignment provides some answers to this differential: one third of males worked at the CEO level, followed by two thirds in other C-suite roles. By comparison, only one in five females worked at the CEO level, while the majority (two thirds) worked at General Management level (one layer below other C-suite roles).

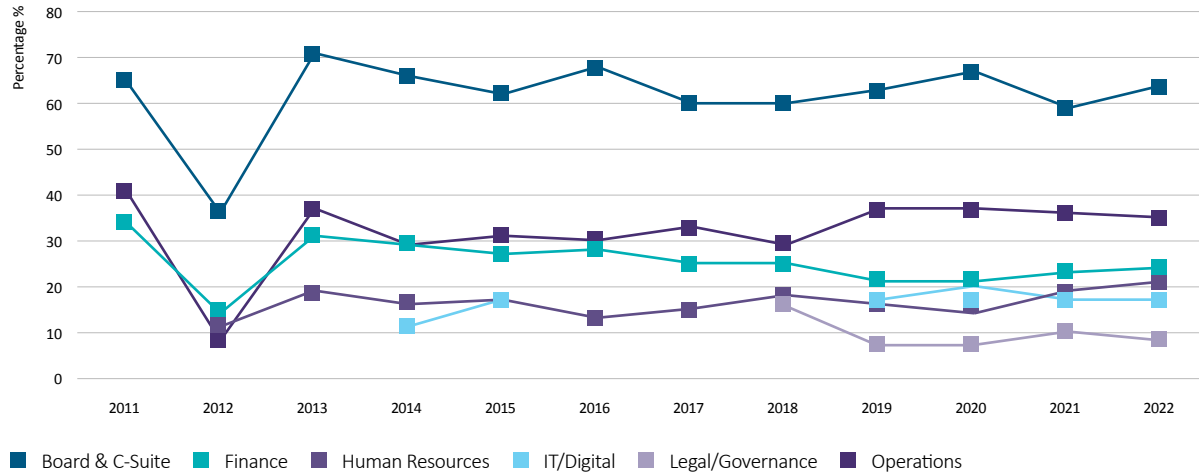
C-suite is the sweet spot for Interim Executives



We have seen a massive uptick in the number of Interim Executives working on assignment at the C-suite level in 2022, with two thirds of respondents filling C-suite roles. Direct reports to the C-suite (Head of/General Management) closely followed with 63% of respondents completing assignments at this role level during the period.

Watermark Search’s clients have reported they valued the calm, wise counsel Interim Executives brought to the C-suite throughout the pandemic, particularly their abilities to bolster leadership teams and settle employees in uncertain periods.

Fit for purpose – why 2022 is the year



Following C-suite, the next most in demand functional skills required from Interim Executives were Transformational (Program) leadership at 36%, and Operational leadership at 35%. This isn't surprising, because as the Korn Ferry Future of Work Trends Report 2022 noted: "If 2020 and 2021 were years of unplanned reinvention, 2022 is where it gets intentional."

If re-invention is the best counter strategy to disruption, then there is no surprise Transformational and Operational roles are in demand as organisations reposition in 2022.

Operational leadership assignments were filled by 38% males and 29% females, with daily charge rates evenly spread across the range of \$1000-\$2000. Transformation/Program Director assignments were filled by 39% females and 35% males, with daily charge rates spanning \$1000-\$1800.

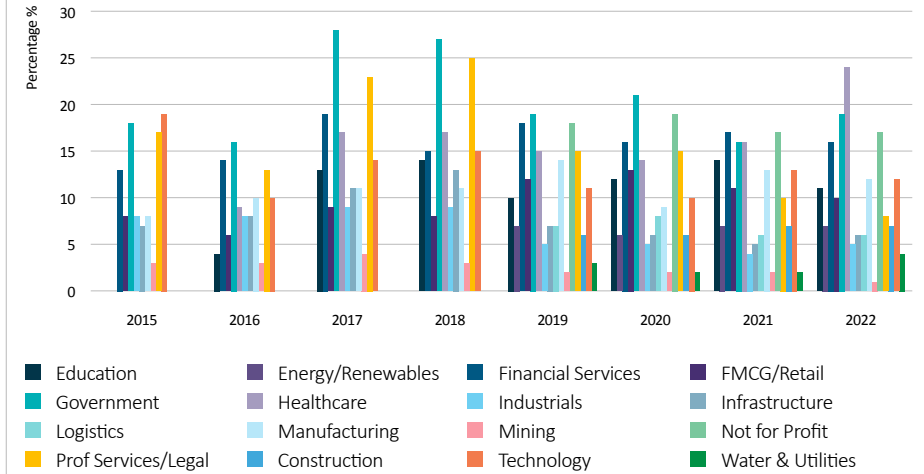
Across other functions, HR and Legal assignments were more often filled by women, with men holding more seats in Finance, IT and Supply Chain. The functional assignments outside of C-suite roles commanding the highest daily rates – greater than \$1800 per day – were Transformation (62%), Operations (56%) and Finance (55%).

Korn Ferry Future of Work Trends Report 2022 noted:

“If 2020 and 2021 were years of unplanned reinvention, 2022 is where it gets intentional.”

Future of Work Trends Report 2022

Where are Interim Executives in most demand?



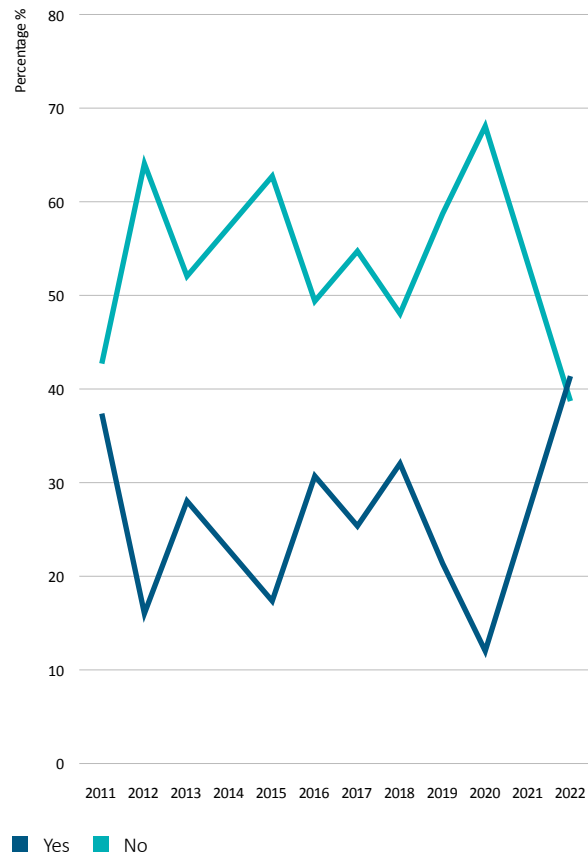
Arguably all sectors are undergoing rapid transformation following the pandemic years. We saw the most demand in the Health & Human Services sector (24%), closely followed by Government (19%), Not-for-profit (17%) and Financial Services (16%).

The pandemic years have also seen a slight uptick in FMCG, Retail and Infrastructure sectors leveraging interim expertise, though to a lesser degree.

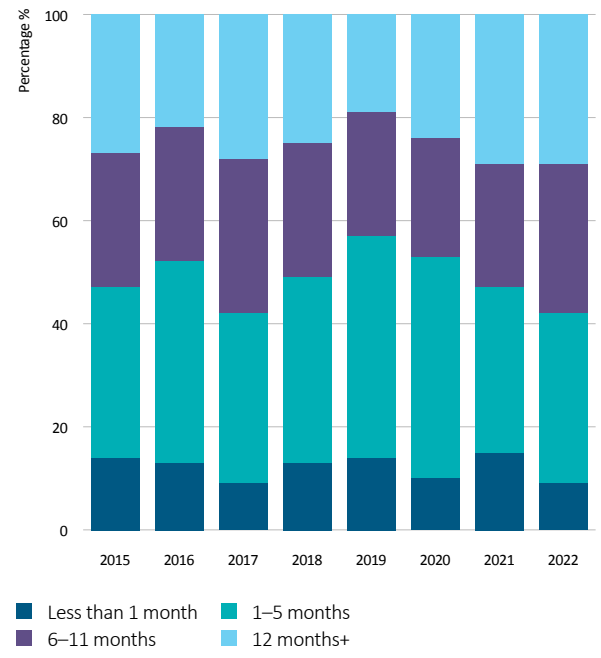
Female Interim Executives were engaged to a greater extent across Health, Government, Not-for-profit and Financial Services, while their male counterparts were busier in FMCG, Retail, Manufacturing and Technology Services.

Financial Services was the highest paying sector in our survey, with 48% of assignments paying more than \$1800 per day, while 61% of assignments in Health and 44% of Not-for-profit (44%) assignments paid consistently in the \$1300-\$1500 range.

A historical first – more respondents are on assignment than off

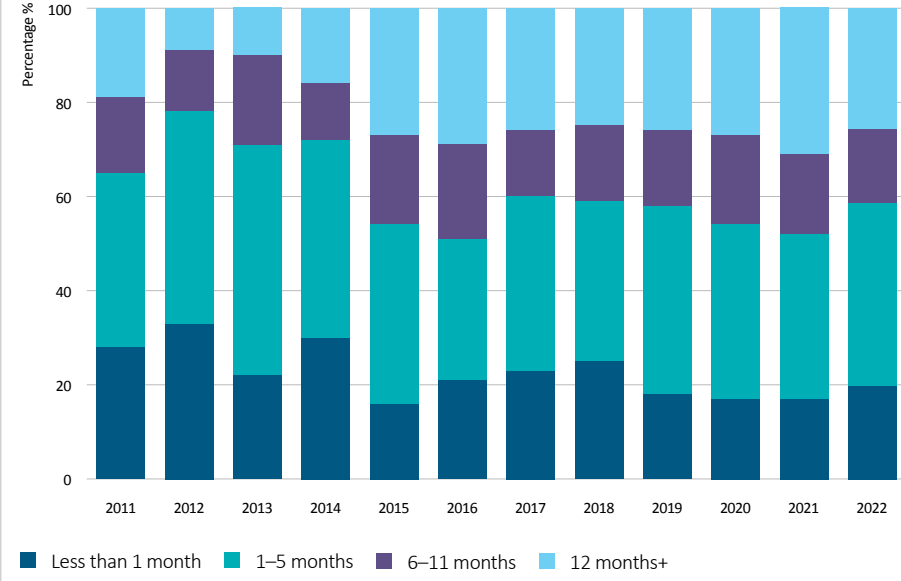


An increase in assignment times through the pandemic



Over the life of our survey the most common length of assignment was one to five months. Though during the pandemic years there was a jump in the number of assignments in the six to 11 and 12+ months categories. Watermark Search’s data echoes this shift, where the average length of assignment post-pandemic is nine months versus six months pre-pandemic.

Downtime between assignments is getting shorter

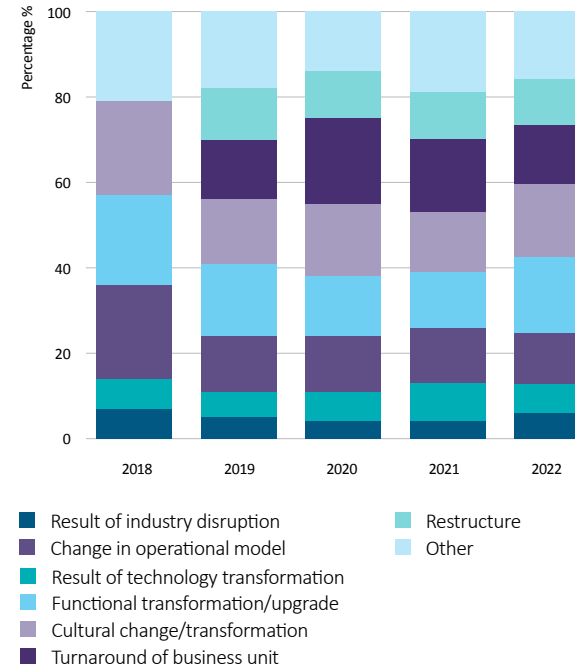


Fear mongering in the media about the Great Resignation might raise some concerns among hirers, particularly those looking for highly experienced and skilled executives. As Korn Ferry noted in its [Future of Work Trends Report 2022](#): “[The talent gap] is a huge issue with some big reasons behind it. Fast economic expansion. Projects delayed due to COVID-19. But there’s also a skill mismatch. Jobs don’t match the people.

The bad news is as digital innovation accelerates; this record-breaking talent gap will only widen.” It’s not surprising the largest percentage of our survey respondents were “off” assignment only one-to-five months this year. The six+ months gap between assignments has trended downwards, too, perhaps reflecting the talent scarcity in the market.

“ [The talent gap] is a huge issue with some big reasons behind it. Fast economic expansion. Projects delayed due to COVID-19. But there’s also a skill mismatch. Jobs don’t match the people. The bad news is as digital innovation accelerates; this record-breaking talent gap will only widen.

The business of reinvention – the motive for seeking an Interim Executive



Business transformation was the key motive for organisations seeking the expertise of 31% of respondents in 2022. Across all 12 years of the survey, Interim Executives’ business transformation skills and deep specialist expertise (or “Superpowers” in Watermark Search language) have been enduring motives for organisations engaging them.

Digging deeper into the data we see the motive behind business assignments was either functional or cultural reinvention, for a third of assignments. These drivers have endured throughout the 12 years of the survey, closely followed by business unit turnaround (i.e., margin improvement) and operating model changes.

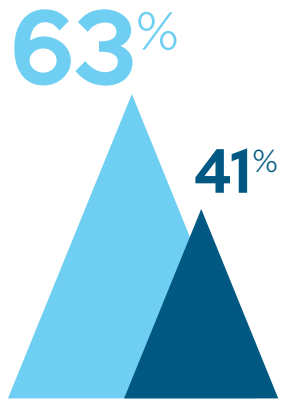
When asked what functional roles were in demand for Interim Executives based on their experience of the market, our respondents called out Chief Transformation Officer at 41%.

Other roles also anticipated to be in high demand for this transformation work include interim Chief Operating Officers, and Chief Financial Officers at 31% each.

Korn Ferry’s [Future of Work Trends Report 2022](#) noted that as organisations reinvent, they also reshape their reporting lines:

“Expect flatter, non-hierarchical structures, more project-based working, where teams assemble to achieve specific goals before dispersing back out into the organisation. Companies are also likely to reinvent where work gets done, with hub-and-spoke models and remote-only teams.”

Women shift gears in post-pandemic career drive



Almost half of our respondents re-evaluated their careers because of the pandemic, and of this group, 63% of females (compared to 41% of males) actively shifted their career trajectory.

Flexibility with purpose – the attraction of Interim

No area has undergone more rapid transformation than the way we work



Skilled workers want their jobs to be interesting, meaningful and flexible. Our survey respondents rated the “type of work” (58%) and “flexibility in how they work” (56%) as the key reasons for re-evaluating their career post-pandemic. As Microsoft CEO Satya Nadella commented in the March 2021 report *The Next Great Disruption is Hybrid Work – Are We Ready?*:

“Over the past year, no area has undergone more rapid transformation than the way we work. Employee expectations are changing, and we will need to define productivity much more broadly – inclusive of collaboration, learning, and wellbeing to drive career advancement for every worker, including frontline and knowledge workers, as well as for new graduates and those who are in the workforce today. All this needs to be done with flexibility in when, where, and how people work.”



Type of work



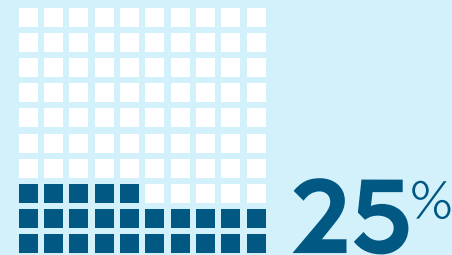
Flexibility

The big proposition – getting Employment Value right

Post-pandemic, organisations looking to attract and retain talent are focusing more strongly on the Employee Value Proposition. But getting EVP right is complicated, as decried in PwC’s *What Workers Want Report 2021*:

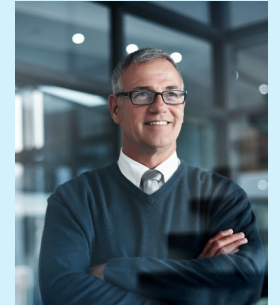


The balance of tangible and intangible benefits, representing why someone would choose to work at one organisation over another. An EVP is complex and highly nuanced. There are objective elements, such as the terms of a leave policy, and subjective ones like the experience of working for a particular leader.



And when 25% of workers in the same survey say the reason they join an organisation isn’t the reason they stay, then we know that understanding the needs and preference of workers is fluid and evolving.

Watermark Search’s survey respondents identified five key levers organisations are pulling to better demonstrate Employee Value Proposition (EVP):



1
Promoting hybrid working arrangements

2
Allowing work/life flexibility

3
Being focused on strong culture

4
Providing interesting & meaningful work

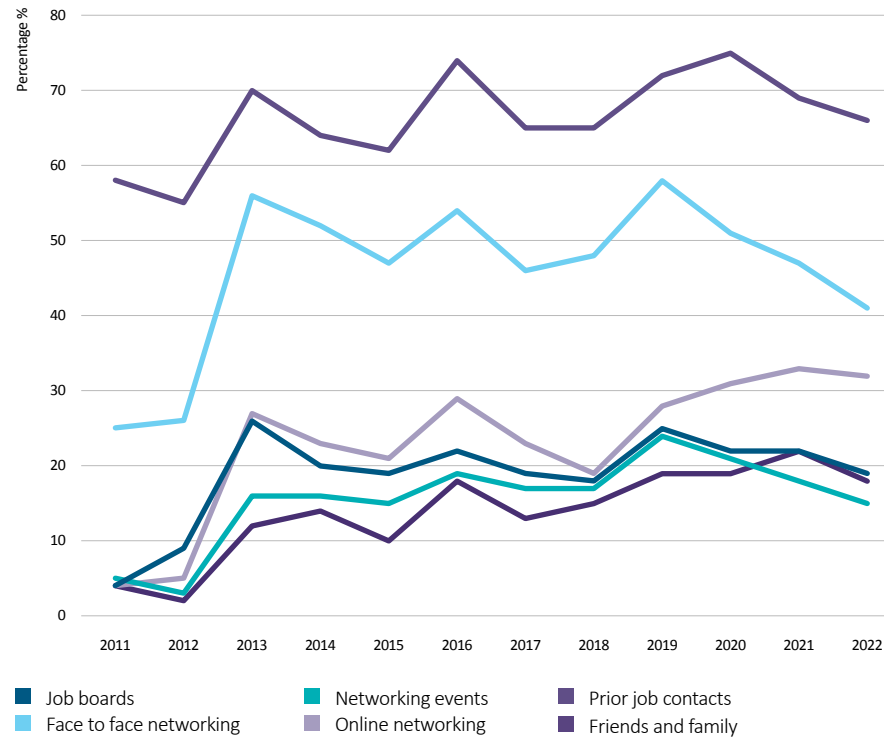
5
Providing clear values (strong EVP)

A powerful definition of “social network” is:

“

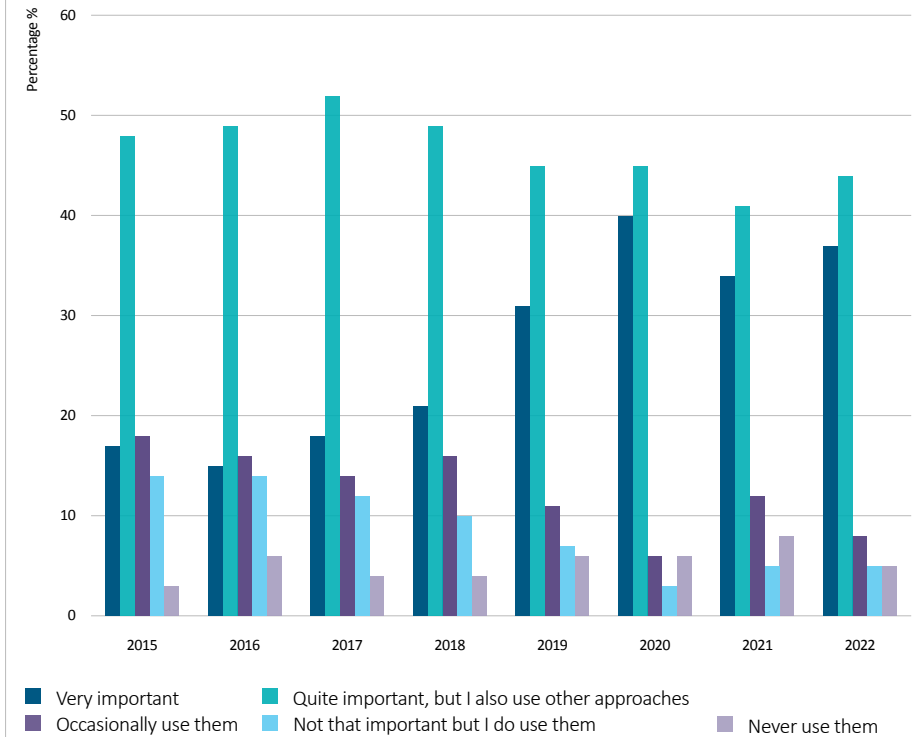
To take steps to make and cultivate the acquaintance of people who can be helpful to oneself, especially in finding new employment, advancing to a higher position in one’s occupation, or exchanging information. (from the *Collaborative International Dictionary of English*)

Stronger social networks make career magic happen



Among our survey respondents, 66% reported the strongest connections for work referrals were their previous colleagues. In the 12 years we have conducted our survey, these networks with previous colleagues have consistently rated highest. In 2022, the next most important connections were gained through face to face networking (41%) and online networking (32%). Not surprisingly, digital means of connecting have grown through the years we’ve been running the survey.

Channelling the market – the rise of Interim brokers



Interim brokers are increasingly popular conduits for executives looking for new opportunities, with a third of our respondents identifying Interim brokers as very important in helping them get work, and a further 40% highlighting brokers as quite important. Over the last eight years we have seen a big rise in executives leveraging the networks of brokers, with 33% saying brokers are very important, while 8% saying they use brokers only occasionally.

THE ENVIRONMENT



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OVERVIEW

Battle planning – win the War for Talent with new hiring models

In today's environment the number one theme for organisations recognising they need to open their minds to new hiring models if they want to win the War for Talent.

The next largest theme is the quest to retain the best people, and 55% of respondents in this year's survey believe that "finding and retaining the best people" will be the number one influencer/disrupter to business strategy in the coming year.

Sticking to old concepts of work and hoping "things will go back to normal" are unrealistic. Organisations that don't adapt the new ways of working will simply lose the War for Talent.

Awareness of Interim Executive as an effective hiring solution has sky-rocketed during the pandemic. It has shifted from an occasional engagement for crisis management, change and transformation, to a mainstream solution, and Interim Executives are now seen as "the alternative workforce".

Organisations that don't adapt the new ways of working will simply lose the War for Talent.



55%

of respondents in this year's survey believe that "finding and retaining the best people" will be the number one influencer to business strategy.

We have been working very successfully with clients to fill the many gaps in the traditional market caused by the War for Talent, the Great Resignation, post-pandemic fatigue and longer leave.

Many of the people we spoke with for this year's survey commented that Interim Executive is most definitely a working style of the future for organisations and individuals, which indicates its mainstream acceptance. Organisations are changing their business models and hiring models to ensure their workforce planning includes Interim Executive resourcing as a key strategy for sourcing talent.

Executive C-suite leaders have been identified as a top three skills gap for the past three years in this survey, along with cyber security and data analytics. Many executives joined our ranks of immediately available Interim Executives these past 12 months, telling us they have reflected on what's important to them and they want to work differently.

Respondents also commented on the limited but looming mid-term supply issues that will complicate decision making. Businesses are being forced to reassess their operating models and their futures, and they are taking a more cautious approach due to staffing and supply chain issues. Some respondents believe that while some moderate initiatives are being addressed, not all "mission critical" initiatives are being delivered. Other respondents believe it's all dependant on the type/sector the business is in: some have continued with business as usual, while others have seen significant instability.

ENVIRONMENT SURVEY RESULTS 2022

Open your mind to new hiring models to win the War for Talent

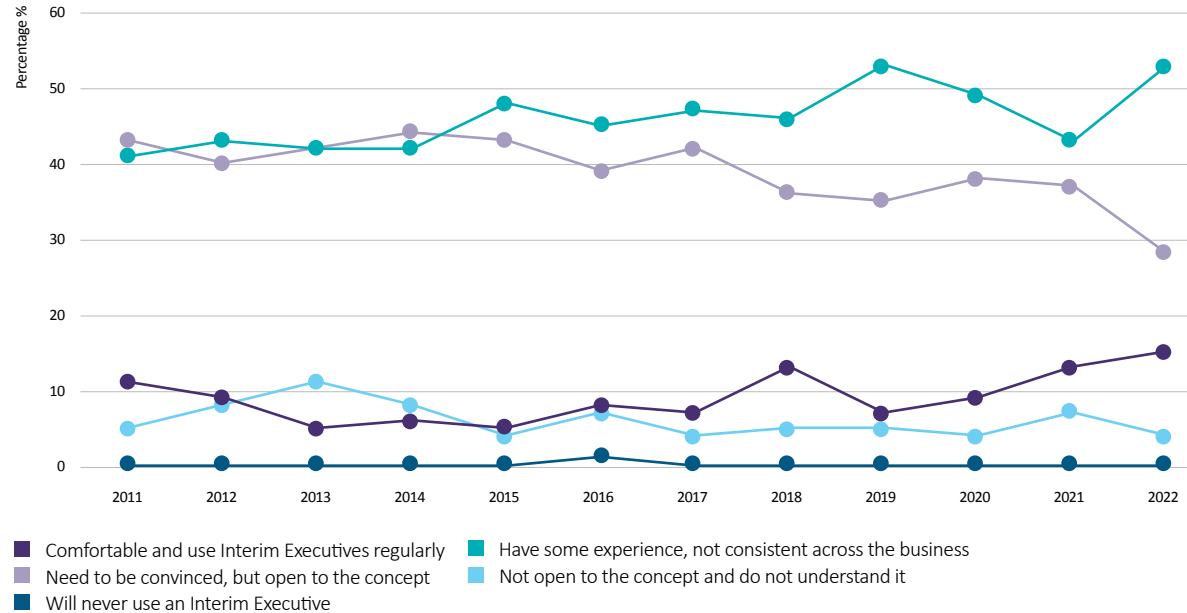
55%

“Finding and retaining the best people” will be the number one influencer/disruptor to business strategy in 2023 according to more than half (55%) of respondents. “The War for Talent” ranked second (50%) and “Responding to new work paradigms” such as hybrid working ranked third (40%).

One respondent commented they consider all three influencers/disruptors equal in importance:

“I would select all the above – many are sub-sets of ‘responding to new work paradigms’. Sticking to the concept of ‘things going back to normal’ is unrealistic and unlikely. We need to get organised around the new way of the working world.”

The pandemic and the growth in Interim solutions



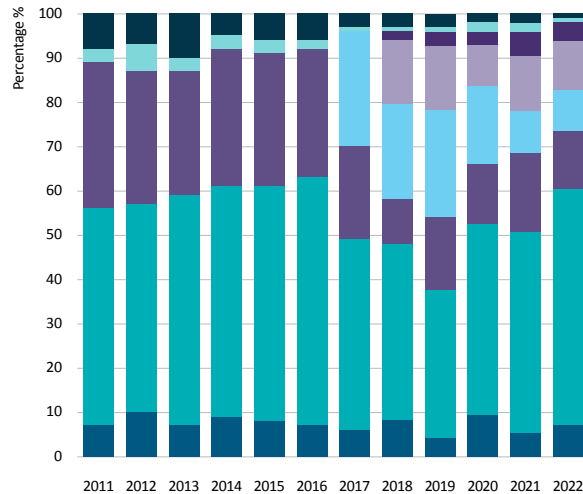
Slightly more than half of respondents (53%) believe clients have “some experience with Interim Executives, but it’s not consistent across the business”.

In the 12 years we have run the survey we have seen awareness of Interim steadily grow in the market. In 2011 respondents believed only 41% of clients were aware. By 2017 this had risen to 47% and in 2020 it applied to 49% of clients.

Our tracking of clients using Interim Executive regularly has shown a steady increase from 11% in 2011, through to 15% in 2022. Clearly, there is still much more work to be done in raising market awareness for this resourcing option, but we believe the pandemic has accelerated this understanding by at least five years ahead of our previous expectations.

“Sticking to the concept of ‘things going back to normal’ is unrealistic and unlikely. We need to get organised around the new way of the working world.”

Will the Interim Executive be the workstyle of the future?



- About to take off
- Set for steady growth over the next 12 months
- Demand will remain the same
- It's the working style of the future
- Here to stay
- A medium-term trend
- Shrinking demand
- No real appetite

More than half of all respondents (52%) agree that Australia is set for steady growth in Interim Executive over the next 12 months.

We anticipate Interim Executive will soon become mainstream and agree with one respondent who commented:



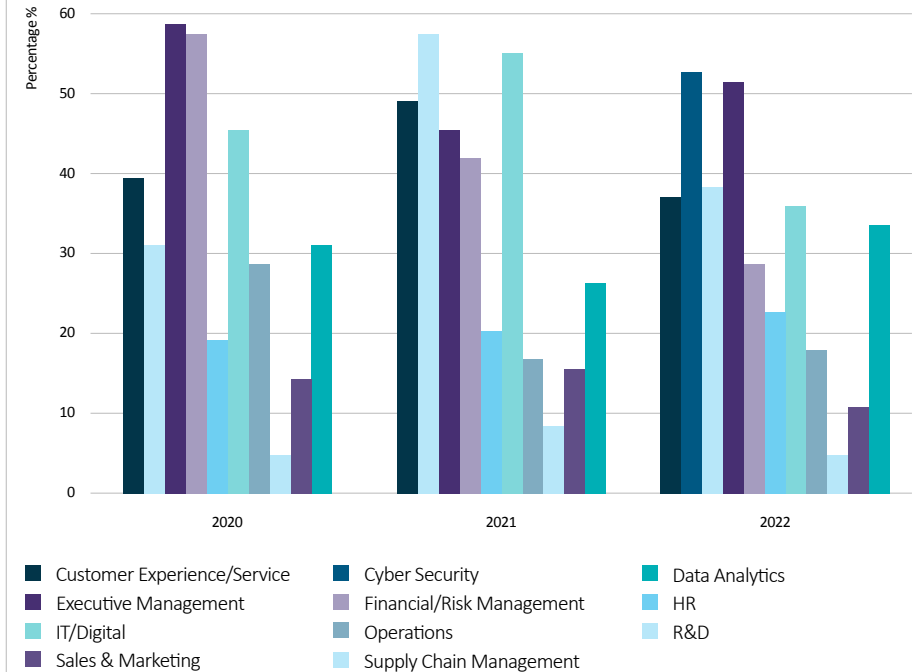
The post-pandemic War for Talent will accelerate recognition of it as one of many acceptable working styles of the future.

Power in the positive? How organisations are starting to access senior talent

In the 12 months since our last survey we have seen a considerable leap in the number of respondents answering in the positive to our question of “how much the pandemic has allowed the benefits of Interim Executives to shine and to what extent organisations are aware of interim as way to access senior talent”. In 2022 the positive response leapt to 73%, well up from the 57% positive response in the 2021 survey.



Where are the skills gaps?

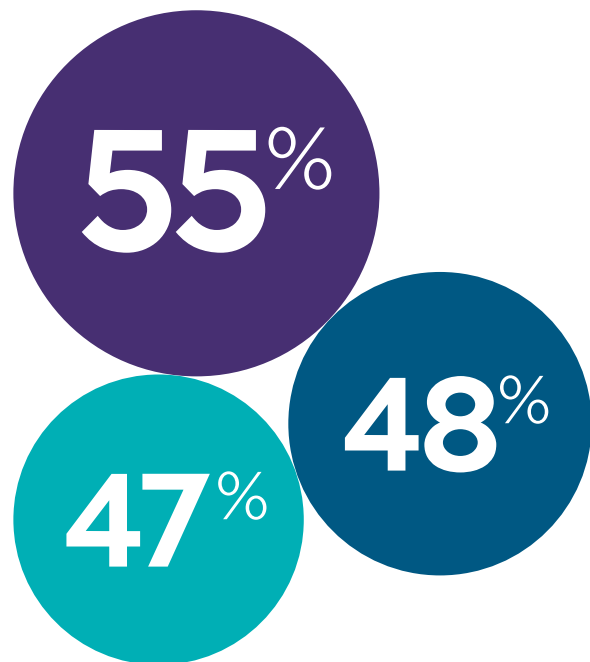


This year's respondents cited Cyber Security (44%) as the skills gap requiring urgent attention this year and beyond, followed very closely by Executive Management (43%) and Data Analytics (32%).

These business areas have featured in the top three for the past three years' surveys. (We split out Cyber this year and are assuming respondents from the previous two years included Cyber in their IT/Digital answer.)

Customer Experience/Service remains high at 31%, while Financial/Risk Management has reduced from 48% in 2021 to 24% 2021.

Problem solved? Interim Executives and the skills gap



We saw an even spread of answers across the board to this question, which suggests respondents believe organisations are addressing skills gaps using a number of different solutions and hiring methods, from permanent search at 55%, hiring Interim Executive solutions at 48% and building existing skills internally at 47%.

Taking care of business in a volatile world



More than half of respondents (58%) said they have observed economic instability in the last 12 months to be “moderate – progressing with mission critical projects/decisions, running in an agile way with check points”. This response has been consistent for the past 24 months, but has dropped significantly lower than the result recorded in 2020 at the onset of the pandemic, when we reported extreme conditions.

Commentary on this question included references to the limited but looming mid-term supply issues which will complicate decision making; businesses being forced to reassess their operating models and their futures; businesses taking a more cautious approach due to staffing and supply chain issues; and a belief that moderate but not all “mission critical” initiatives are being addressed.

Meanwhile, other respondents believe it’s all dependant on the type/sector the business is in: some have continued with business as usual while others have seen significant instability.



Some respondents have continued with business as usual while others have seen significant instability.

ABOUT WATERMARK

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INTERIM PARTNER PROFILES

Caroline McAuliffe

Senior Partner, Sydney



LinkedIn Profile

Caroline has more than 25 years' broad commercial experience gained in the UK and Australia working closely with executive teams of large corporate international businesses. She has specialised in Interim Executive placements since 2005.

As a founding Senior Partner of the Watermark Search Interim Executive practice since 2011, Caroline leads the Interim Executive team in Sydney, deploying numerous senior C-suite Interim Executives with deep functional and leadership experience into a range of organisations across a number of industry sectors.

Functional expertise: CEOs, CFOs, HRDs, COOs, CIOs, CROs, General Counsel.

Sector expertise: ASX 300, Government, For Purpose (NFP), Human Services, Higher Education, Infrastructure, Transport, Energy, Utilities, Industrials, Manufacturing.

Caroline is currently completing a Bachelor's Degree in Social Sciences (Psychology) through Swinburne University and has a Post Graduate Certificate in Career Education and Development through RMIT University. She has completed an Advanced Professional Development Certificate in Executive Coaching from the Institute of Coaching and Consulting Psychology, Sydney.

Co-Author:

The Rise of The Interim Executive



theinterimexecutive.com.au

Lisa McAuliffe

Partner – Interim Executive, Sydney



LinkedIn Profile

Lisa has more than 20 years' experience in HR related services, specialising in recruitment, career transition and leadership development in both Europe and Australia.

During her career, Lisa has been successful in the management and growth of three start-up recruitment companies, managing teams and clients nationally. She has extensive experience in partnering with business leaders across multiple industries including Banking and Finance, Professional Services, Legal, Media, Telecommunications, FMCG and Retail.

A natural relationship builder, Lisa has been a trusted advisor to many organisations experiencing major transformational change working alongside them to find the best solutions for their needs.

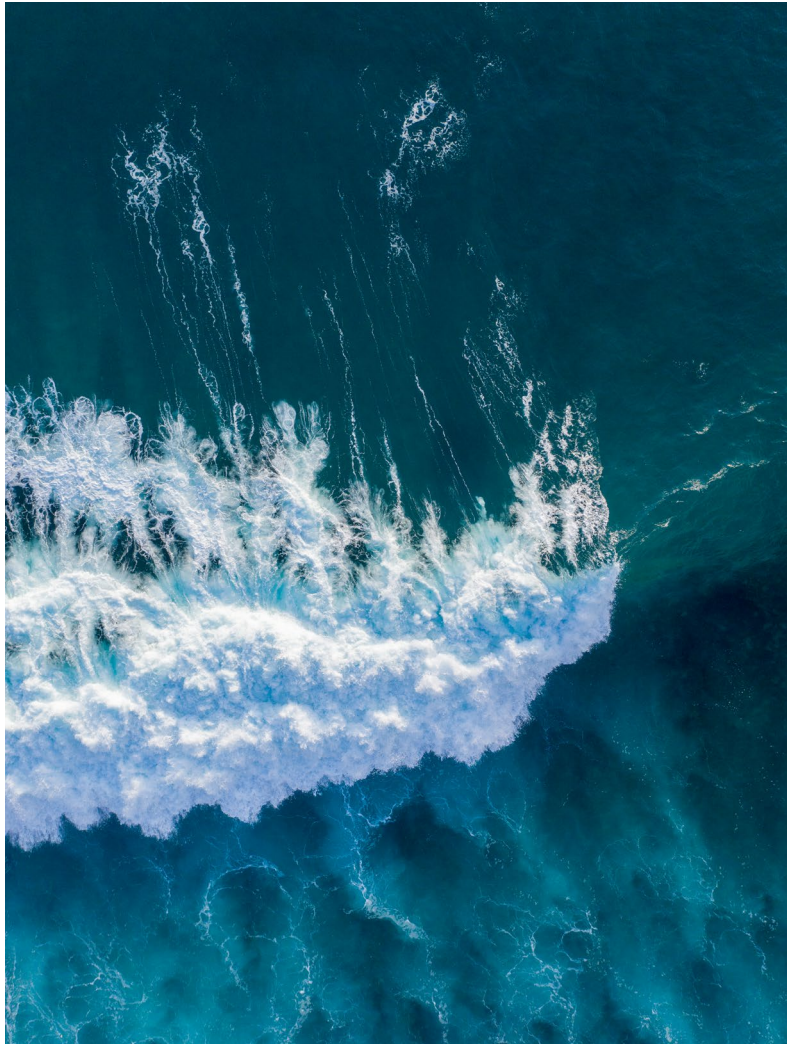
In her previous capacity as a coach, Lisa has assisted Senior Executives from a variety of industry sectors and functional roles transition successfully into a portfolio career. Some of her most recent Interim assignments include CFOs, CIOs, CISOs, CTOs, Senior HR, Marketing and Operations roles.



Interim Partner Team 2022

Left to right; Jacinta Whelan, Alicia Wilson, Lisa McAuliffe, Lyndie Nicholson, Donna Burr, Suzanne Mulvihill, Caroline McAuliffe

INTERIM PARTNER PROFILES continued



Jacinta Whelan

Partner – Interim Executive, Melbourne



LinkedIn Profile

Jacinta is an author, thought leader and popular speaker on the concept of Interim Executive, Portfolio Careers and future ways of working. She has more than 25 years' experience starting and leading Interim Executive businesses in Hong Kong, New York and Australia.

Jacinta advises corporates and governments and is regularly asked to work with boards and business leaders looking to stay abreast of the way organisations are engaging executive talent.

Jacinta is the lead partner for Watermark Search Melbourne and focuses on Interim Executive appointments in both public and private sectors. The roles are C-suite and include CEOs and other executive level positions.

Jacinta has a BA Bus, is a GAICD (2008) and a Harvard Business School alumnus (2018).

Co-Author:

The Rise of The Interim Executive

theinterimexecutive.com.au

Donna Burr

Partner – Interim Executive, Melbourne



LinkedIn Profile

Donna's career of 25 years has spanned chartered accounting, assurance, advisory and human resources partnering with businesses.

Her passion for seeing businesses solving problems and thrive led her to her role at Watermark. She has local and global experience across Financial Services, Manufacturing, Utilities and the Not-for-profit sectors. Her curiosity, authenticity and a passion for making things better have seen her involved in major transformational and performance work for many corporates. She is an advocate for-purpose-led business management and economic empowerment for women. Donna has been a partner at Watermark Search since 2018, deploying senior level Interim

Executives in both private and public sectors. She has a particular focus on CEOs, CFOs, COOs, HR Executives, and change and turnaround professionals. She has successfully completed Interim Executive search assignments across a range of industries including Financial Services, Government agencies, Peak Member and Regulatory bodies, Not-for-profit, Healthcare, ASX listed, Energy and Utilities.

Donna is a qualified chartered accountant (1996), an affiliate of the AICD (2021) and a Melbourne Business School alumnus (2007). She is passionate about health, fitness and wellbeing, with a particular focus on nutrition, and is pursuing further studies in this area.

WATERMARK CAPABILITIES

Executive Search

Founded in 1979, we are one of the longest established Australian Executive Search firms. Even though we are above all else an Australian-based firm, we have an established track record in attracting (and then securing) overseas candidates. We have considerable expertise in senior executive appointments across a broad range of public and private sector organisations. Our firm has been built on a substantial body of work undertaken for publicly listed companies, private companies, state owned corporations, government agencies, departments and advisory boards.

Interim Executive

We provide immediate and high-level specialist executives with the experience to provide stability and guardianship for a company during a period of change, executive absence or performance turnaround. We also provide executives who deliver on projects, programs or specialist reviews. When clients are ready to appoint an executive, we complete the assignment within one week.

Board Search

We believe strong boards make for better organisations and improved business performance. In conducting a Board Search, we do not simply look for “a name” but rather search for candidates with the relevant skills to add real value to a board. We often start our Board Search by working with the client to produce a Board Skills Matrix, which then informs the specific brief. Our experiences ensures familiarity with the specific, and often sensitive, challenges involved in appointing Non-Executive Directors and Chairs with the right skill, personal and cultural fit.

Diversity

We pride ourselves on delivering the best candidates in the marketplace for consideration by our clients. We go further than most executive search organisations in ensuring our clients have a gender diverse range of candidates as part of the process. In the past three years, nearly 50% of all successful candidates introduced by Watermark were female. This is a significantly higher representation of women executives as successful candidates than any levels indicated by recent third party studies. In addition to our focus on gender diversity, we have also helped several Indigenous organisations secure high-quality candidates through well targeted executive search.

Tailored and Unbundled Solutions

Watermark Search is very comfortable with adapting or tailoring our service offering to fit an individual client’s needs. We can unbundle the search process to provide only the parts of an Executive Search or value-added recruitment services you require. Tailored services we have provided include market mapping, managing advertised response (reviewing, culling and recommending), reference checking, selection panel attendance and scribing. These services can also be scaled-down to better suit budgets or supplement existing internal resources.

Market Insights

We have a unique window into both the commercial and government worlds and are available to provide informal market insights to our clients on topics such as salary packaging, hiring trends and executive onboarding. As thought leaders, we undertake research and market analysis to form our CFO Report, Interim Executive Survey and Board Diversity Index.

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