



RECRUITERS REVEAL QUALITIES EXECs NEED TO LEAD C-SUITE DURING TOUGH TIMES

By Arthur Zaczekiewicz and Debra Borchardt

APRIL 7, 2016

Leading a fashion apparel, retail or beauty company has its ample rewards. And ample headaches, too.

Companies and brands have to deal with fickle consumers who can change loyalties in a heartbeat. Then there's constant maintenance with vendors and suppliers, who face their own pressures. And if you're a public company, the watchful eye of Wall Street is ever present. So, too, the banks and lenders

Moreover, these pressures on the c-suite can be amplified during economic downturns. When times get tough, leaders often have to manage sinking morale, layoffs, store closures and even bankruptcies.

Executive recruiters say this is when the core qualities of a good chief executive officer or other c-level manager are tested. How a leader navigates during challenging times reveals the value of placing the very best at the very top.



Les Berglass, chairman and ceo of executive search firm Berglass + Associates, suggested that the current business climate alone is already a test of talent.

“First, today's c-suite leaders have to be collaborative,” Berglass said. “The walls between functions have to come down...forget the word ‘department.’ Second, every member has to embrace change. Business as usual is toxic. Third, regardless of their function, they have to recognize that technology has given the consumer a louder voice. This sharper consumer requires a c-suite that listens and responds.”

There are also changes in the workforce itself. Berglass noted that Millennials, for example, require a different kind of leadership strategy — especially during economic headwinds that could lower morale.

What solutions and tactics work? “We need to bring back mentoring programs,” Berglass urged. “Retail, in particular, was known for inspiring mentors. We need more of them today. Also, with each passing day, Millennials make up a larger part of the workforce. Top-down, bully-pulpit leadership doesn’t work with them. They need to be listened to, not dictated to.”

Rebecca Cenni, founder and ceo of Atrium Staffing, said “challenging times call for strong leadership. In addition, c-level executives should be strategic thinkers and adept at responding to and managing change.”

Sounds simple and straightforward, but it also requires subtle behavioral changes, too. Cenni said it is critical to “lead by example.”

“It’s impossible to be cheery 100 percent of the time, but stress and negativity are infectious, so it’s important to maintain a good attitude every day and to be diligent about minimizing your complaints in front of team members,” Cenni explained, adding that communication and listening are also key.

“Show employees that you appreciate their needs by informing them of issues that affect the business,” Cenni said. “Conduct monthly or quarterly meetings to ensure that you are communicating effectively with your entire staff, as well as conduct regular management meetings. Employees will feel more important and perform better when they know exactly what is expected of them.”

In regard to listening, Cenni said it was important to take the time to speak with employees. “If managers are not in sync with what is going on in the workplace, they can often overlook employee morale,” Cenni said. “Acknowledging how your employees feel can help improve morale, which in turn will increase productivity and profitability.”

Robyn Soto, a consultant in the retail and luxury practice of Russell Reynolds Associates, an executive search firm, said the most important “qualities don’t change for a ceo in challenging times.”

Soto said proprietary research from her firm “highlights that two things that set apart ceo’s from the rest of the executive population are the ability to embrace the right risks and ability to capitalize on opportunities.”

“If anything, those qualities — being courageous and moving fast — become more important during challenging times,” Soto explained. “And in difficult times, the best-performing ceo’s — distinguished in our data by their passionate nature, their focus on substance and their ability to keep problems in perspective — truly rise above the pack.”

Pierre Trippitelli, partner at Pi Executive, noted three leadership qualities that could help companies navigate challenging times. They include being a “change agent,” while also possessing “learning agility.” And having “digital savviness” was also beneficial.

“Upgrading a company’s investment in digital tools and seizing opportunities to train staff” can give companies an edge, Trippitelli said, adding that “challenging staff to immerse themselves in emerging platforms to drive breakthrough thinking” would also help during tough times.

Joshua Evans, life coach, public speaker and author of “Enthusiastic You,” added enthusiasm to the list of preferred and required qualities for c-suite executives. “This has the ability to incite passion in a team and project confidence for shareholders, board members and customers,” Evans said. “Two additional important qualities are the ability to have vision for their future and directness with the people they work with.”

And when morale falters, Evans said “openness is one of the best ways to curb anxiety. People need to understand what is going on, otherwise rumors spread throughout an organization. Being honest, in a positive way, with your employees will solidify their loyalty.”

Bruce Hurwitz, principal at Hurwitz Strategic Staffing Ltd., noted that communication is essential during challenging times. And it has to be transparent, which “eliminates gossip.”

“If the executive is clear, open and honest with staff, even though they may not like what is happening, they will trust the executive,” Hurwitz said. “This leads to the second quality: honesty. No one is going to follow a person who they believe is dishonest.”

Kirk Palmer, principal at Kirk Palmer Associates, cited the “ability to craft and communicate a clear, inspirational and attainable vision for the future, in a way that motivates everyone to bring that vision to life.”

Palmer also stressed the importance of transparency. “Authenticity and transparency in all communications, which solidifies trust — it’s the new given,” Palmer said. “The ability to listen and respond to both customers and employees, as the current generation is highly motivated by having a voice and contributing to a greater goal.”

As for low morale, Palmer said it “starts at the top of the enterprise and at the top of each function within....Leaders of the most successful companies truly care about employees as individuals and the impact of their efforts,” he noted. “A truthful and collaborative culture with strong communication is what motivates productivity and loyalty. More than ever, younger customers and employees care not only about how the business performs, but how the business impacts the world around them.”

Brenda Malloy, president of Herbert Mines Associates, said “clear, concise and continuous” communication from the ceo is essential in challenging times. Having a “passionate curiosity” also helps, which Malloy describes as “being out front and accessible at all levels of the organization.”

And when it comes to staving off low morale, Malloy said “one of the most disconcerting and demoralizing issues employees face is uncertainty. Great leaders, regardless of whether it is good news or not, are clear

with associates about the state of the business and what it means for them. Having town halls, being out in the field and listening to associates' concerns and being genuinely interested in them and their careers is an important aspect of authentic leadership."

Madan Ahuja, director of talent acquisition at Le Tote, said the qualities sought for managers include resourcefulness, resilience and optimism. And as previously noted by others, transparency can transform low morale. "The c-suite shouldn't hide behind conference room doors," Ahuja said. "Providing the team with a clear corporate vision and state of affairs transparency sends a message of trust and purpose. Working toward a larger, common goal and knowing exactly how your contributions fit into the big picture will help boost morale."

Asked who in the industry — or outside of the market — is doing a great job leading given current conditions, Trippitelli said Jean-Marc Duvoisin, ceo of Nestlé Nespresso SA, was "doing a fantastic job negotiating the current landscape because the company established its e-commerce business first, followed by brick and mortar as a brand experience venue, before returning to optimize its e-commerce experience."

From Berglass' perspective, Mindy Grossman has "done a superb job of elevating the HSN brand. The backbone of her success combines a singular focus on women consumers, respecting that consumer's intellect by offering her superb product and building a team around her that's incredibly strong and empowered."

Nicholas Charles Tyrwhitt Wheeler, ceo of Tyrwhitt clothiers, was Evans' top pick because "he was able to employ strategic marketing programs that have allowed him to pivot quickly when the market shifted." Cenni said the J.C. Penney Co. Inc. "turnaround has been getting a lot of buzz and Mike Ullman has done a heck of a job. Returning to J.C. Penney at a critical time, Ullman's choices would determine the company's future. He made short-term costly decisions that revived the brand and ultimately put J.C. Penney back on the path to profitable growth — avoiding potential extinction."

"Ullman remained focused on the style, quality and value of products carried by the company," Cenni noted. "When it came time to recruit a successor, the company made smart choices — ensuring the new ceo, Marvin Ellison, shared Ullman's vision that revived J.C. Penney."

For Malloy, Ulta ceo Mary Dillon "created an amazing consumer experience, exciting the customer with product while at the same time motivating an employee base with openness and clarity as a true leader." Meanwhile, Palmer found it hard to pick just one.

"Les Wexner has transformed the retail industry in multiple ways," Palmer explained. "A \$1,000 investment in The Limited when it went public in 1969 would be worth over \$62 million today. He invented vertical specialty retail, where the brand is the store and the store is the brand. Les thinks boldly, takes risks, makes big bets, hires great people and inspires them to achieve amazing things. He bought a six-store chain and transformed it into a \$10 billion company — Victoria's Secret. And he is still actively running things at age 79."

Palmer’s other top pick is Kevin Plank, founder of Under Armour, who “was a college football player who decided he could compete against Nike.” Plank is often cited as a notable ceo by Forbes and other publications.

“The company’s revenues were almost \$4 billion by 2015, and his net worth last year was estimated at \$3.5 billion,” Palmer noted. “Kevin leads by passion, bold vision, inspiration, tenacity, courage, risk-taking and belief in team and loyalty to his people and partners.”

And despite numerous challenges — whether it is from stiff competition or macroeconomic headwinds — today’s talent is likely to be better prepared than prior generations of leaders. Janou, principal at Janou LLC, who goes by her first name only, described today’s business climate as one “full of constant, fast-paced change” requiring talent that can help companies and brands “create experiences that are meaningful — people who can humanize a brand through the power of storytelling and empathetic designs and concepts.”

“Businesses need to be able to connect the dots among design, science, technology, product development, marketing — and that requires a brand new kind of talent that thinks holistically,” Janou said. “This new talent loves to be entrepreneurial, whether it is being part of a start-up or an established brand, they want to offer their 360-[degree] tech-design-science ability and feel personally invested. Also, for many in the fashion industry, there’s less focus on winning awards and more focus on sustainability, which is why empathy has become more important in running a business.”