

Interviews with the IEDC Alumni

Ms. Minerva Cernea, Regional Manager, Pedersen & Partners: Recruiting for a region where you can jump faster

*Those in the business of executive search have an exceptional insight on how a national and regional economy is changing. **Minerva Cernea**, an alumna of the IEDC Executive MBA, is based in Bucharest, Romania, where she is Regional Manager for Pedersen & Partners, the largest executive search firm in Central and Eastern Europe, operating 20 wholly owned offices. In this interview she talks about the socio-economic evolution in her area of Europe, at the eve of EU accession. She also discusses brain drain and brain gain, the changing role of women in Romanian society, innovation and entrepreneurship, the importance of executive education and some crucial future trends. [Mark Vanderbeeken](#) was the interviewer.*

How has executive search changed in recent years in Romania and what can this tell us about the socio-economic evolution in your country at the eve of EU accession?

Executive search in Romania has changed a lot in the last few years. More and more companies now value the benefits of such a service. They understand that the human resources market is a very competitive one and that only those companies with the best resources will be able to succeed. You can have the best vision, strategy and financial resources, but without the right employees there is no way to make it a success. Due to increased foreign investments in Romania — a trend that will definitely also continue after EU accession — competition on the work force market increased and Romanian owned companies themselves started



using executive search more and more. For us at Pedersen & Partners, it is sometimes difficult to motivate candidates to join local companies, as the majority still prefers to work for international firms, because of the 'Western style' of working culture: organized, structured, with more career opportunities and investments in employees training and development. But I am sure that local companies will be forced to improve their standards and assimilate a 'Western' type of working culture, and therefore become attractive for future employees.

What has changed in terms of the candidates?

Many candidates now graduate from top MBA schools in the world, gain some

experience abroad and then come home to use this experience with companies operating in Romania. I also see candidates that accumulated over 10 years of extremely relevant working experience in multinationals in Romania and abroad and that are now being assigned to international roles. I am sure that also this trend will continue after EU accession.

Have you seen an evolution in the types of profiles, qualifications or backgrounds that are required now and were not so present just a few years ago?

Definitely there is a change and that's because the market itself has changed a lot. For instance, the CFO requirements have changed tremendously. Ten years ago foreign companies coming to Romania were smaller operations. Now these types of jobs are more complex. You need to have experience in Mergers & Acquisitions, in doing an exit, and in raising finance. Ten years ago, foreign companies usually assigned expatriates for these positions. Meanwhile Romanians went through this process and gained experience. Now many foreign companies prefer to hire a local person instead of an expatriate, because they speak the language and understand the culture and local market, which is quite relevant in a finance position. Other companies do not put so much emphasis on the nationality, and just hire people based on their qualifications. What has changed though is that now there are many more Romanians that provide equal qualifications as expatriates. The same evolution occurred for the general management type of positions. There are now some Romanians who have extensive experience in managing large operations, i.e. 50 to 100 million euro and up, or in handling complex processes, like those at portfolio companies acquired by investment funds, going through an exit.

What are some of the trends you see looking towards the future?

The complexity of the professional experience required from candidates has

dramatically increased compared with some years ago. Now we talk about a precise skill and less about potential as was the case some years ago. It has become more difficult for candidates to switch to a new field. This is because during the last ten years candidates accumulated diverse and relevant experience and companies are now interested to recruit these candidates.

Another interesting trend is that the need to hire expatriates has become less prominent. If however companies decide to go for this option, they look for candidates that already worked in Romania and speak the language. This is a trend that I am sure will continue. Knowledge of the Romanian language and local know-how have become a real advantage for some positions.

Some firms now try to attract Romanians who are living abroad. They try to convince them to repatriate. That way they can take advantage of their international exposure that usually comes with an experience in more advanced working environments (e.g. in terms of technology, size of business or geography), combined with their Romanian language skills and local cultural know-how. In fact, there are many Romanians interested in returning and this trend will only grow once we enter the EU. Even though EU accession will make some other Romanians want to work abroad, I sense that the desire to keep one's roots in Romania is increasing more and more.

Is it difficult for people who have been abroad to re-integrate in Romanian society and business?

Romanians always appreciate people who were abroad and gained experience there. It is sometimes more difficult for people who lived abroad for a longer time, rather than just went there to study or work for a few years. It also depends on the people themselves: arrogance can create problems. But in general such people are looked at with respect. Locals who have not been abroad try to learn from their experience and appreciate what these foreign-trained people come back with.

Romania right now has also become a very active and therefore exciting environment. There are lots of investments and lots of opportunities. There are also many career opportunities. You can grow faster, you can get promoted faster, you can get more responsibilities faster than in other, more stable economies, and this of course attracts lots of Romanians back. And I have to say many expatriates as well!

How will EU accession influence executive search?

EU accession will make the work force borders dilute, at least at the managerial level we are dealing with. In these conditions a rapidly growing executive search company such as Pedersen & Partners with 20 fully owned offices in Central and Eastern Europe, can provide big advantages to local and regional firms. We can move candidates from one country to another, since the national element is not always such a big obstacle for some of the positions, as English is the main language used in the region.

How has the brain drain problem evolved in recent years?

There are really two brain drains we are confronting: the one of local people leaving Romania and the one of foreigners coming to Romania. Let me explain.

There is indeed still a strong brain drain from Romania. Young people are hungry to get the best education possibly. So they apply (and are usually accepted) at some of the best schools in the world. Some of them decide to use this knowledge abroad and work there where they have more career opportunities and can earn more. Some might even not return to Romania.

I am managing a project aimed at repatriating Project Managers, Department Managers and SAP Consultants, and I can see for myself that Romanians do decide to return. They appreciate the opportunities

Romania started to offer: many foreign investments, so many things to do, an excellent place where they can use the know-how learned abroad, a place where they can make good money in some positions. They are also patriotic, love their country and want to give a helping hand in the necessary changes here. So Romanians who work abroad within multinational companies, sometimes request to be located in Romania. This will of course help Romania to develop. A country is like a company in that sense: if you have highly motivated and well educated human resources you can achieve results.

We shouldn't stop people from leaving the country. But we have to create attractive conditions (like reduced taxation, pension plans, etc.) to make them come back, once they have gained their education and experience abroad. There should also be an increased focus on offering interesting jobs to those who just graduated here in Romania. This requires a national political strategy: where we want to be, what kind of people we need to reach our national objectives, and how we can prepare them. It is sad to see young people who just finished university in Romania, not being able to find a job or only finding extremely poorly paid ones, and then deciding to leave the country. In fact, it would be very useful to use executive search services for the people working in politics. After all, they decide upon our lives, yet the criteria by which they are selected, are not related to their knowledge or skills, and this is scary.

You mentioned a second type of brain drain: the one of foreigners into Romania?

I have met lots of expatriates that come to Romania and don't want to leave anymore. They are saying that it provides excellent living conditions, a nice working environment and many opportunities as well. If they were to work in their own country, it would take them more time to go through the process of becoming a manager or becoming a CEO. Here in Romania it is much easier. You can jump faster. So expatriates often don't want to go back.

Of course there are downsides as well. But these affect mostly Romanians. Our social security and retirement system is not yet as developed. But on the whole Romania, and Bucharest in particular, provides a Latin atmosphere with a very North-American type of work environment: you have to work a lot, you can be fired overnight, you have to prove yourself constantly. It is very stressful, but you have lots of opportunities. You can do many things. And it is somehow more difficult to do that in many other places in the world.

When I visited Bucharest five years ago, I was at a governmental conference, where I noticed that most of the real strategic planning and writing work was done by young people, mainly young women, whereas the power, the public speakers were mainly older men. How has the situation of women managers changed? Is there a glass ceiling for women?

There is a big difference between the private and the public sectors. In the private sector, you will often see women in top positions, because the only measure is results, not gender. If you are able to deliver what is expected, you will be promoted. In all honesty, there are still some companies that prefer to promote men, usually operating within industries where the mentality that it is easier for men to be successful still exists, like within the construction industry.

In the public and political sector, things are quite different. If you look at group photos of political leaders, such as those being published in newspapers all the time, you will notice that these quite often contain only men. It is still an old boys culture. To access this level, the criteria are not based on results, but rather on connections, influence and mutual support structures. It is more difficult for a woman, who is a newcomer in the area, to advance. It is not impossible for them. In fact, our new Romanian President promoted a couple of women in top positions, but it is often still the old mentality where men are in

charge.

The private sector still needs to change as well. I have done maybe 300 searches by now, and so I have seen thousands of candidates. And I would still say that eighty percent are men. This doesn't mean that women do not get promoted. But other factors come into play, such as family, children, which do not always sit very high within our American type of working culture, with its strong dedication and long hours. Some women simply do not want to join such a tough environment.

There may also be differences in what is culturally acceptable for men and for women in terms of ambition.

Exactly. When women get too ambitious, it becomes a minus for them. They say "she is like a man" and this is not a compliment.

What about executive education? How has it changed? What are the gaps? Are these being addressed?

There are some good MBA programs in Romania, but they still have a flavor that is too local, and this is not helping them to improve. We really need a top international executive school here that can also target foreigners — something like IEDC has been doing in Slovenia. But this is a people problem. We would need to have somebody like Danica Purg, with the vision and the power to make it happen.

Do you see a lot of your recruits starting their own businesses? Or is the tendency still to work for a company where they are sure of a monthly salary?

There are different types of entrepreneurial people: the ones that work for companies and the ones who start their own companies. It takes a lot to start an operation from zero. Usually the ones who start businesses do that from the very beginning. Our top Romanian entrepreneurs are often serial entrepreneurs: they create a business, sell it, start another, sell it again, and so on. One of them started a food

company, sold it to Nestlé, then started a retail chain, which he sold to an investment fund, and now he launched himself in the automotive industry and he is expanding to Austria. People like that do not work for multinationals, because they are not able to respect the rules.

Can Romania become an innovation engine in Europe? If so, what evidence do you see of that?

After the changes that took place in the economic and political system after 1989, most of the country's industries were frozen and could not develop for years. There was no money for research and innovation. But over the years, things changed. Foreign investors, including strategic investors and investment funds, acquired local companies and transformed them. A good example is the pharmaceutical industry, which now includes some important European players in the field of generics production, such as Ozone, Terapia and Sicomed bought by Zentiva.

In fact, this exemplifies Romania's strategy of becoming a regional player in some industry areas, of going beyond the local.

This trend can also be seen in the IT and software industry. Romania is known to produce good engineers and IT specialists. We are good in mathematics, physics and foreign languages, and have many hardworking people. Companies like Honeywell, Motorola, Oracle have therefore moved their regional research centers here, which attract both Romanians who lived abroad as well as recent graduates. There are also local Romanian companies, like SIVECO and Softwin, which have become regional players, particularly in Central and Eastern Europe. Softwin, which provides anti-virus software, has even opened an office in the United States. Another anti-virus product developed by GeCAD, a local Romanian software company, was bought by Microsoft.

Romania started producing very innovative products and services, and this trend will surely continue.