

Signium Comment

Signium Executive Search International Limited

What is the market like at the moment?

Our experience is that companies in the latter part of 2009, seeing the upturn in the market, stopped laying off staff. They held tight, riding out a period where their costs were too high for their income. Now at the end of Q1, many companies are starting to experience the upturn and are absorbing their surplus capacity but are still not yet hiring. Our projection is that we will see hiring starting to increase shortly. Meanwhile in Australia our Signium office tells us there is a high level of hiring, especially in the industrial resources, infrastructure and contracting companies.

At the executive level?

Companies, reacting to retirements and resignations, are strengthening their commercial leadership teams and restructuring, but not necessarily enlarging their teams. All are experiencing, or seeing signs of recovery and growth. As a result we have a full assignment portfolio since August last year with CFO/Commercial, CEO and functional GM positions being the prevalent searches.

There is little demand at the moment for the generalist General Manager and yet these seem to be the ones that are looking. Some executives are returning from overseas, particularly those with private equity experience or involved in the financing of real estate transactions, but the opportunities are not yet available for the real high flyers.

Our real challenge at the moment is to find the few up-and-coming executives who have sufficient sector or functional experience to meet our clients' expectations and are still in New Zealand. We believe the shortage of these highly talented commercial-minded leaders is getting worse, not better. Many capable executives are still being drawn overseas with the lure of 25–30% more remuneration especially to Australia. Companies may need to resort to meeting the current remuneration levels of overseas-based Kiwis to attract them back or alternatively be more accommodating of foreign nationals and manage the process of these executives fitting into New Zealand's unique culture and lifestyle with its inherent risks. Likewise, in Australia, the executives companies are looking for are not available.

Leadership and Governance

We are starting to hear that Boards are increasingly undertaking performance reviews of themselves, their Directors and their CEOs as they prime their organisations for the improved economic environment. Whilst the economic recession led to staff retrenchment at the middle or lower levels, top management and Boards are yet to fully come under the spotlight. Those Boards who were not beforehand, are now setting clear expectations for their CEO's performance, ensuring the resources are available and defining the timelines. They no longer believe they can continue to be involved in propping up the CEO. Such behaviours can no longer be justified or tolerated by shareholders as this process often just buys time and, in reality, this is something many organisations just don't have.

Recent Appointments

Major grocery retailer:	Managing Director
Infrastructure company:	Treasurer
Major contracting company:	Finance Manager
Manufacturing and marketing company:	Managing Director
IT Company:	General Manager
Consumer Durables Manufacturer:	Sales and Marketing Manager

Please contact us on any of these issues you would like to confidentially review. We would be pleased to add value to your business.

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