

Signium Comment

Signium Executive Search International Limited

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What is the market like at the moment?

Yes, the employment market is continuing to hold up but not with the same growth in demand some businesses experienced earlier this year. All signs indicate continuing positive growth for the business sector although this is not necessarily the case in other parts of the world. Our monthly Signium Global Practice Group discussions have identified that the European and US markets are still very depressed. There are a few sectors globally that are showing movement: pharmaceuticals and medical equipment, mining and natural resources. We note in New Zealand, demand is still high for experienced Chief Financial Officers with a strong commercial acumen, Sales Managers with commercially proven performance-based team leadership and Human Resources Managers who at the senior level are developing and populating new organisational structures better able to deliver on new strategies.

Trends at the executive level?

Short term moves forced upon the executives through mergers, Australian management removing the New Zealand senior management for a more direct reporting relationship or dissatisfaction about how company leaders or Boards have acted in the last 18 months have seen some executives with a number of short-tenured positions on their employment record which does not look good. This may be a consequence that capable executives will have to deal with for several more years until the market strengthens.

Executive Mobility

The war for talent is still as alive today as it was four years ago except that no-one has recently had to fight for talent with organisation adopting a more defensive strategy. With the economy looking more positive more companies now want to hire "A" talent, acutely aware of the significant difference in contribution between a top performing executive candidate and an average performer. The demands and pressures on these executives often cause them to take stock and seek better balance between work and their personal lives, with greater emphasis on their softer side. We are not known in the southern hemisphere for our assertive drive and

passion for making money compared to many other developed countries. This continual over-focus by employees and companies on intrinsic motivation to retain or attract employees may lead in the long-term to further reduction in productivity and ultimately shareholder return as New Zealand loses its commercial edge. We also note that this has led to executives being very reticent to relocate from one part of the country to another, or even to commute across the city (especially Auckland).

One comment we are hearing more frequently is that companies are still looking for an executive six months after starting the recruitment. That is too long. It happens, and more frequently than people think. Is the job specification too tight to fit more than one or two possible candidates? Have the recruiters given up in favour of easier projects? Does the company know what they want or have the ability to make a decision against a different weighting of competencies? There are many factors leading to a longer recruitment process but we know there a number of risk-averse decision makers who are slow to make a decision, often seeking justification for making the decision and consulting with others which adds to the timeframe. When there is a war on talent delays create an unacceptable commercial risk.

Choosing the jockey?

As a leading Angel Investor said “we back the jockey, not the horse” as this will determine which opportunities are winners. If you are looking for the right jockey for your business then consider the following:

Cost-wise, executive search is not very different from a print-media executive selection but being labour intensive delivers much greater value. Whilst some agencies back-up the uncertain outcomes of advertising-based selection with “we do search”, it is those who are members of the Association of Executive Search Consultants (www.aesc.com) who consistently deliver through a proactive, research-based market investigation to identify or attract executive candidates within a full executive search programme.

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

Recent Appointments

Major grocery retailer

Chief Financial Officer
General Manager, Retail

International support services

National Business Development Executive

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