

BOYDEN EXECUTIVE OUTLOOK FINDS RETENTION OF BEST C-LEVEL AND SENIOR EXECUTIVES A PRIORITY

– Top global executive search firm reveals industrial/energy, e-commerce and technology, and emerging markets opportunities are fueling biggest demands for senior management –

NEW YORK, Q2 2012 — C-level executives with both great technical ability and proven track records in leadership are in short supply, according to the quarterly Boyden Executive Outlook, released today by Boyden Global Executive Search.

“Retention and recruitment of the most talented leaders has become a critical mandate,” said Trina Gordon, President and CEO of Boyden World Corporation. “While overall management hiring is still not in full force, C-level and senior executives with top talent and exclusive skill sets are in high demand with companies looking to ensure success in today’s changing and competitive markets.”

Financial Services

“We’re seeing a pickup of selective hiring in financial services in the second quarter after a slow start at the beginning of the year,” said Jeanne Branthover, Leader of Boyden’s Global Financial Services Practice and Managing Director at Boyden New York. “As firms complete their restructuring, companies are assessing everyone’s skill sets with the new structure and placing the right executives in the right jobs. This is going to create big opportunities for people with the skill sets needed to succeed in the new structure.”

Retail banking, fin tech, wealth management, risk & compliance and research are among the areas of more active recruitment. In addition, the emerging markets, particularly Russia, China, Asia and Latin America, will continue to be a focus for growth in 2012.

In Canada, senior level technology executives are in demand at financial institutions, according to Janice Detta Colli, Managing Director at Boyden Toronto.

“The greatest demand is for risk management and treasury management in Europe,” said Andreas Landgrebe, Managing Director of Boyden Austria and CEE. “International banks need talent to move difficult assets off their balance sheets, define their workout portfolios and develop consistent strategies for executing them.”

In the Middle East, companies are aware of the oversupply of financial services talent in Europe and are keeping costs down accordingly. Thus, pressure on compensation and allowances will continue as long as the economic recovery is anemic, noted Magdy El Zein, Managing Director of Boyden Middle East.

In Australia, bonuses are down and redundancies continue. On the upside, while overall activity is lower, demand remains for quality sales executives in the equity capital markets and debt capital market segments, according to Peter Dale, an Executive Director of Boyden Australia.

Industrial/Energy/Mining

“Many industrial and energy companies are dealing with serious succession issues in the C-suite and with senior roles at a critical time of company growth or, in some cases, even with the stakes of survival,” said Robert Travis, a Boyden Board Member and Managing Director of Boyden Canada. “There’s a dearth of executives who bring technical or engineering expertise combined with great leadership qualities.”

As a result, in some cases, salaries are rising for retention. In addition, retired executives and consultants are being engaged to fulfill shorter term needs. COOs, Senior VPs of Operations and related roles are also in strong demand where executives bring both technical and management expertise.

“Unconventional gas is fueling a very positive cycle in energy and executive recruitment,” said Jim Hertlein, a Boyden Board Member and Managing Director of Boyden Houston. “Expertise in ‘unconventional plays’ only exist in the US and markets such as Australia and Eastern Europe are moving to develop it, creating a notable gap in available talent.”

In Europe, company restructurings are ramping up the need for top talent at the C-level, according to Armin Meier, Leader of Boyden's Global Industrial Practice and Managing Director of Boyden Switzerland. “Our clients are seeking leaders who can manage through difficult times and have already been through a fair number of restructurings,” he added.

In addition, across the Middle East and developing markets, companies are seeking competent and experienced executives who are also comfortable managing risk, according to Toby Lapage-Norris, a Partner of Boyden UK. Cultural and relationship management are at a premium.

“The best industrial executives based in the emerging markets share a common denominator,” said Mr. Lapage-Norris. “They bring both commercial and financial backgrounds as well as strong relationship building skills.”

In Latin America, the building of power and chemical plants, mining and salt water desalination facilities, and other major infrastructure is driving a need for chief financial officers, project engineers, project managers, senior geologists and supply chain managers, according to John Byrne, Managing Director of Boyden Chile.

“Many companies in the industrial sector have resumed searches in the second quarter following the conclusion of annual sales conventions early in the year,” said Aurea Imai, a Managing Director at Boyden São Paulo. “There’s also increased movement from Japanese companies to hire local talent in Brazil to grow their business.”

Most of China’s industrial multinational clients are also seeking succession plans for C-level leadership and local expats are being sought after as the main talent pool to replace these positions, according to Helen Xia, a Managing Director of Boyden Beijing. In addition, top state-owned enterprises are increasing M&A activity in Europe and America, thus creating demand for top management positions and generous compensation levels.

In Australia, an unabated demand for talent in the mining sector is having a flow effect on the construction industry, where there is a lack of available managers on the eastern seaboard. Thus, compensation in mining has continued to rise, according to Michael Catlow, Managing Director of Boyden Australia.

Board Services

Protecting corporate reputation is top of mind for directors as many companies are combating declining company images via traditional channels and, increasingly, through social media, explains Sarah Stewart, a board expert and a Managing Director of Boyden Pittsburgh.

“Companies, and their boards in particular, must understand that their reputation is only as good as the perception of shareholders and the public,” added Ms. Stewart. “Once damage begins it often occurs at a blinding pace, which makes it difficult to control or contain.”

“Clearly, it is the board’s responsibility to watch for any red flags indicating operational weakness or a potential problem with executive behavior and to circumvent a crisis,” said Tom Flannery, Boyden’s Global Leader for Board Services. “But when a breach has occurred, it’s important for the board to protect the company’s standing by acting quickly and justifiably. Boards that fail to do so may find themselves recruiting not just a new CEO but new board members as well.”

Technology

The explosion of demand for mobile devices and mobile computing and the shift toward the “cloud” by consumers and enterprises are creating heated demand for technologists and executives who can manage this

change successfully for both sell-side and buy-side firms in technology, according to Neil Sims, a Managing Director of Boyden San Francisco.

"Companies are increasingly seeking vice presidents of demand generation who can best leverage sales origination and marketing automation technologies to arm sales forces and build revenue," said Martie Bond, a Managing Director of Boyden San Francisco. "In the tech sector, compensation levels are generally moving up, as the gap narrows between what companies are offering and what talent is willing to accept in the current environment."

In India, technology continues to be one of the largest employers with an expected growth rate of 11 percent in 2012, noted Dinesh Mirchandani, Managing Director of Boyden India. "Tech companies are moving up the value chain to stay competitive in the global arena. This trend, along with emerging e-retail operations, proliferation of the 'app' market for mobile devices and an increase in cloud computing are all boosting demand for talent," he added.

In the UK and Europe, the deteriorating macroeconomic outlook has created downward pressure on the volume of external senior executive appointments. However, some niche technology organisations continue to grow and the recent flurry of M&A activity in the UK tech sector has brought additional hiring, according to Mark Soden, a Partner of Boyden UK.

"Many of the US and European technology infrastructure and telecommunications companies are moving from purely infrastructure businesses toward more managed services, outsourcing and professional services," said Andreas Landgrebe, Managing Director of Boyden Austria and CEE. "This new model requires a fundamental change in executive recruitment and targeted talent profiles."

In addition, boards across industry sectors are hiring CIOs who have a track record of enhancing customer experience using new technologies, moving away from "delivery" aspects of the role which distracted them from the critical focus on innovation, explains Cathy Holley, a Partner of Boyden UK.

Consumer/Retail

"First quarter activity reflected a number of CEO leadership changes which typically occur with the beginning of a new year," said Howard Gross, a Managing Director of Boyden New York. "For other senior executive roles, management teams continue to operate with a conservative approach to hiring across all functional areas, with mobile and e-commerce sectors being the most notable exceptions. We anticipate more robust hiring activity in the second half of 2012."

With the normalization of consumer behavior, hiring is improving in more mainstream retailers and branded product companies. This is in stark contrast to the extreme focus on private label products and value retail formats which had been so prevalent in the past few years, according to Doug Ehrenkranz, Managing Director of Boyden Houston.

"In Europe, due to slower economic conditions, companies are generally cautious about retaining executives in domestic markets," said Anders Lindholm, Managing Director of Boyden Italy. "However, companies are actively investing in talent to take advantage of growth opportunities in expanding markets such as Latin America and Asia, and particularly in China."

Chief marketing officers, heads of HR, heads of products, business development and vendor directors are among the positions companies are actively recruiting to leverage developing market opportunities. In addition, European fashion companies are retaining new CEOs and heads of subsidiary groups for overseas growth, mainly in Brazil and Asia, according to Mr. Lindholm.

Life Sciences/Healthcare

Executive hiring in the European healthcare sector has gained momentum in the second quarter.

"Specialised managers with highly technical backgrounds are more in demand than generalists," said Kerstin Roubin, Leader of Boyden's Global Healthcare Services Practice and a Partner of Boyden Austria.

“There’s a notable increase in demand in the biotech and pharmaceutical spaces, and retention of healthcare technology experts is on the rise. Alongside this increased demand, executive compensation ranges are increasing for these key, specialized roles.”

In the US, life science recruiting continues to see a slight uplift, particularly in the med-tech sector where small and mid-sized companies are investing in building their infrastructures. Regulatory and product compliance related functions remain an area of sustainable demand, according to Trevor Pritchard, a Managing Director of Boyden San Francisco.

Human Resources

“HR executives with a truly global experience which include a track record of working in regions outside of their home market are being heavily recruited,” Lisa Gerhardt, Boyden’s Global HR Practice Leader and a Partner of Boyden UK. “In addition, there is an increasing unwillingness to take risks among candidates, which has resulted in it becoming more difficult to attract the best HR executives into new roles. The most talented candidates are being retained by their organisations.”

CEOs, led by HR executives, are increasingly focusing their attention on performance management, and consequently are relying on performance measurement techniques to accurately evaluate and scorecard individuals, according to Greg Coleman, a Managing Director of Boyden New York.

“Organisations have come to the realisation that it is critically important to place the right emphasis on achieving optimal talent management and employee engagement and, as a consequence, HR executives specialising in this area have become more valuable,” said Mr. Coleman.

Real Estate

C-level hires have been dominated by management with strong operational backgrounds and demand remains active for Chief Financial Officers and capital raising roles, given the current debt market illiquidity, noted Grant Hodgetts, an Executive Director of Boyden Australia.

Professional Services

In Europe, the professional services sector has a more healthy market for executives, compared to most other sectors in the region. Big Four accounting firms, strategy consulting and law firms are among the areas of greater activity, according to Miguel Zuil, Managing Director of Boyden Spain.

Positions such as partners with expertise in transactions services and financial services are in particular demand, as the tougher economic environment has pushed for a re-launch of new services, Mr. Zuil added.

In China, compared to a more “wait-and-see” stance in quarter one, executive hiring trends over the next two quarters are looking very positive, particularly in the professional services, consumer and manufacturing sectors, according to John Wong, Managing Director of Boyden Shanghai.

About Boyden World Corporation

Boyden is a global leader in the executive search industry with more than 65 offices in over 40 countries. Founded in 1946, Boyden specialises in high level executive search, interim management and human capital consulting across a broad spectrum of industries. For further information, visit the firm’s website at www.boyden.com.