



Karen Greenbaum says diversity is about creating the right board and new strategies. Source: News Corp Australia

**Increasing movements in executive fields in the US, parts of Europe, the Middle East and Asia show the global economy is improving, with chief executives ready to jump ship for better opportunities, an international recruitment expert says.**

The international Association of Executive Search and Leadership Consultants' chief executive Karen Greenbaum has been visiting Australia to speak to companies and release the umbrella group's 2015 outlook report.

US-based Greenbaum says the executive search industry is growing because of several factors, including expansion in emerging regions, and the talent pool is expanding because more people feel secure enough to move.

"The economy is definitely helping. As it gets stronger there's more need for talent and there's a greater war for talent," Greenbaum says.

"That is a natural order of a strong economy. If you look at 2008-09, people were much more reluctant to make a change when the economy was tough. When the economy gets strong people think it's a great time to move. Maybe they don't love their job and were concerned about change, but now they can and it's a good sign."

As economies strengthen and business and trade grows in Southeast Asia, India and China, the recruitment industry is expanding to meet emerging needs.

"Europe, the Middle East, China, Africa and the Asia-Pacific now account for pretty much half the business. It has been changing over time and growing, and that's exciting," she says.

"In India and China, that are very big countries, (executive recruitment) is still an emerging profession. They're looking for top talent and they're finding the way to recruit them is to partner."

Greenbaum says executive recruitment is increasingly becoming global, with countries starting to look beyond their borders for top talent, particularly in regions where their business may be - expanding. That includes diversifying board representation, understanding growth strategies and how to adapt to different cultures.

Recruiting beyond borders also means companies are using executive search companies to ensure a diverse range of candidates for the top job, whether from another country, internal staff, or people returning home from a stint overseas.

Greenbaum says there is a growing need for executives who understand emerging technology in the workplace, such as cyber security and data analysts.

New executive roles are being created, including chief information security officers, and Greenbaum says there are few people with the requisite skills or expertise.

“That means that field of candidates is small but the need is growing,” she says.

“Organisations are looking at cyber security and risk and how they deal with that. You’ll see growth in cyber security and you’ll also see growth in digital marketing. Whether it’s because of social media, technology risk management or analysis, those are growing, and that’s also sought after on boards.”

With increasing cyber crime and an explosion of online data, Greenbaum says those workers will be in demand for several years. “On the cyber crime side it’s a sad fact that there’s a growing need (to counter it),” she says.

“We’ve all heard stories about hacking but we don’t hear about the IT industry and how it’s growing, and they’re having to build more systems around cyber security. It’s good news and bad news with technology.”

Greenbaum highlights diversity as a significant issue. As boards look to regenerate and find new members, she says there is increasing recognition of the need to have both older and younger people, different ethnic perspectives, both genders and, most importantly, diversity of thought.

She says diversity in the executive suite is also driving recruitment company growth, as boards realise they may be too homogenous.

“The board members (in the past) sat around the table and would say ‘Do you know somebody?’, and the prospects were narrow,” she says.

“It’s a great way to look at an executive search company to look for the right candidate and find who is best for your board, and that’s a growing concern for chief executives and boards and how they find them.”

She says diversity is no longer about the tokenistic “Chinese menu of three of these, three of those”; it is about creating the right board and new strategies. It is no longer about finding people from the same background and schools.

Greenbaum cites a board she came across recently, where a retail organisation had an all-male team. The board did not reflect the industry in which it operated, or its market. The company risked being out of touch.

“You’re going to be missing out on fresh thinking and innovation and you’re subject to group-thought, than if you had a diverse team. If you want to send a message that you’re a place where everyone can succeed, it sends a different message if your board is not diverse.”

Gender diversity is still a significant issue on boards, Greenbaum says, and it can be detrimental without a mix.

Among the ASX 200 companies, 95 per cent of board members are male. At the Fortune 500 board level in the US, 80.8 per cent of members are male.

“On Australian boards there are more board members named Peter than women on boards — 6.3 per cent of board members are named Peter, and 5 per cent are women,” she says.

“In the US ours are Johns and yours are Peters, but there aren’t any Sues or Sallys or Kerins.

“It’s a frivolous subject but it illustrates the point, and how does that happen?”

While databases, social media sites and online jobs boards are hitting traditional recruitment companies hard, the executive search market is still holding up well against new rivals.

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