



## AESC Insights

**2012**

# **Executive Search Industry Outlook**

The 2012 Mid-Year Executive Search Industry Global Outlook Report, by the Association of Executive Search and Leadership Consultants (AESC) predicts that executive search activity will increase in 2012 over 2011, with the greatest sector rise expected in Energy/Natural Resources followed by Health Care/Life sciences and then Manufacturing.



## 2012 AESC Member Outlook Report

The 2012 Association of Executive Search Consultants (AESC) Member Outlook Survey of December 2011 totaled 217 responses from AESC executive search consultants worldwide, including 49% from EMEA, 38% from the Americas and 13% from Asia Pacific. The report revealed that demand for senior executives is still expected in the major markets of the world, but with less optimism than at the beginning of 2011.

### **Worldwide Demand for Senior Executives Still Expected in 2012**

*Strong in the US but weaker in Europe and Asia*

Forty-three percent of industry professionals surveyed predict that executive search activity will increase in 2012 over 2011, with the greatest sector rise expected in Energy/Natural Resources followed by Health Care/Life sciences and then Manufacturing.

When asked about their general outlook for 2012, global results showed that 37% held a positive view while 49% were neutral – though with more optimism in the US when singling out regional data.

Peter Felix, AESC President, commented: “It is no surprise that the outlook for this year in terms of demand for senior executives should be less optimistic than at the same time last year, given the economic turbulence of the past six months and the continued pessimism surrounding growth rates in China and the EU. Nevertheless it is most encouraging to see strong demand expected in the United States and in sectors such as Energy, Health Care and Manufacturing, which have remained positive throughout the past several years.”

The emerging markets continue to show the strongest need for executive talent with China set to witness the greatest shortage in 2012, followed by Brazil and then India.

Felix continued: “At any given point in the coming years we can expect to see a serious gap between the demand for executives in emerging markets and their supply, based upon any sensible evaluation of the practical issues involved. Any one of the major emerging markets could consume available surpluses of interested executives from the developed countries if they were ready to both motivate their interest and organize themselves so as to exploit the potential of these executives and be able to integrate them into their own cultures and organizations. However, this is not going to take place overnight and considerable skill and foresight will be needed to help bridge the talent gap. We continue to be optimistic that our profession will be called upon to help find solutions to these very demanding recruitment and leadership development challenges.”

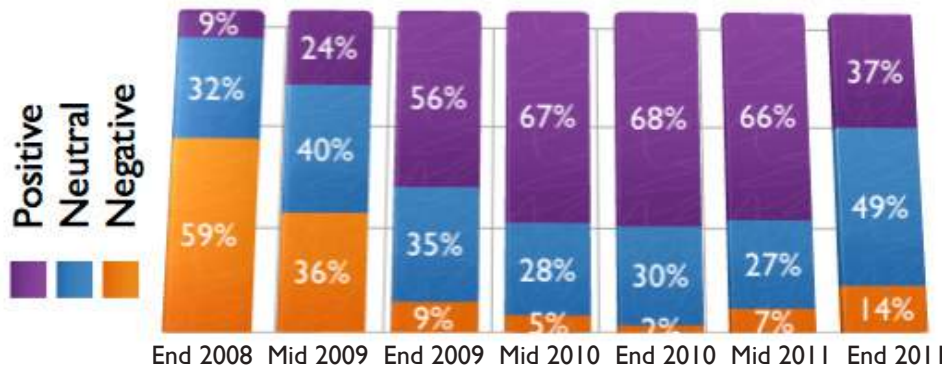
# Executive Search Industry Outlook

Global average - Executive search consultants held a more cautious industry outlook for 2012 than they did for 2011 with 37% positive, **49% neutral** and 14% negative. ~ Pictured below ~

Regional variance - Americas: **Positive 55%**, neutral 45%, zero negative.

EMEA: Positive 24%, **neutral 52%**, negative 24%.

Asia Pacific: Positive 32%, **neutral 48%**, negative 20%.



**Executive search industry outlook for year ahead (or 6 months ahead at mid-year point)**

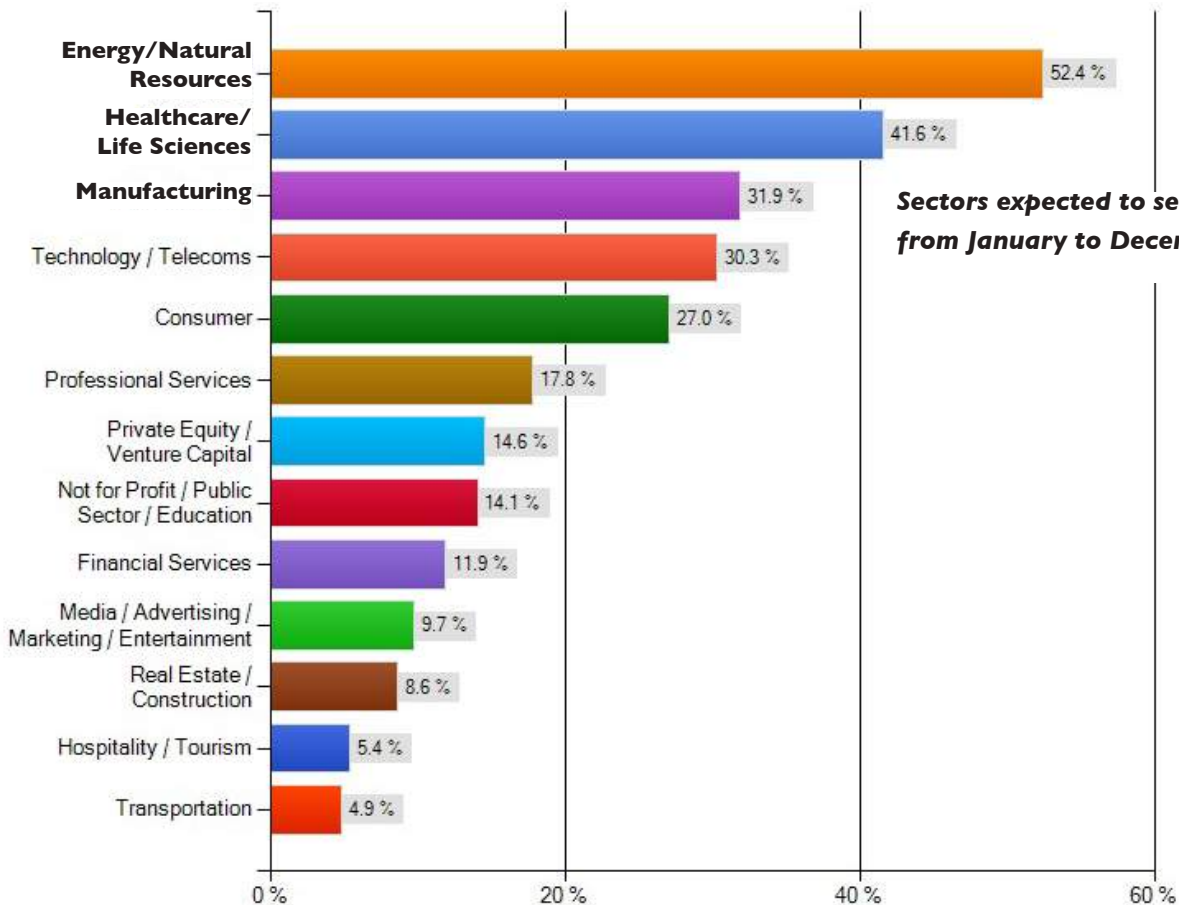
## Predicted Sector Growth, January - December 2012

Global average - The **Energy/Natural Resources**, Healthcare/Life Sciences and Manufacturing industries are expected to see the most growth in 2012. ~ Pictured below ~

Regional variance - Americas: In third place came Technology/Telecoms (31%), instead of Manufacturing.

EMEA: In line with global average results.

Asia Pacific: First came Energy/Natural Resources and Manufacturing, equally (46%). Healthcare/Life Sciences was voted third (41%).



**Sectors expected to see the most growth from January to December 2012 \***

\* Respondents asked to select top three choices

# Current Sector Strength

Global average - **Energy/Natural Resources** (48%), Healthcare/Life Sciences (39%), Manufacturing (34%) and then Technology / Telecoms (33%) held the greatest worldwide sector strength in December 2011, with the highest **“Strong / Very strong”** ratings. ~ Pictured below ~

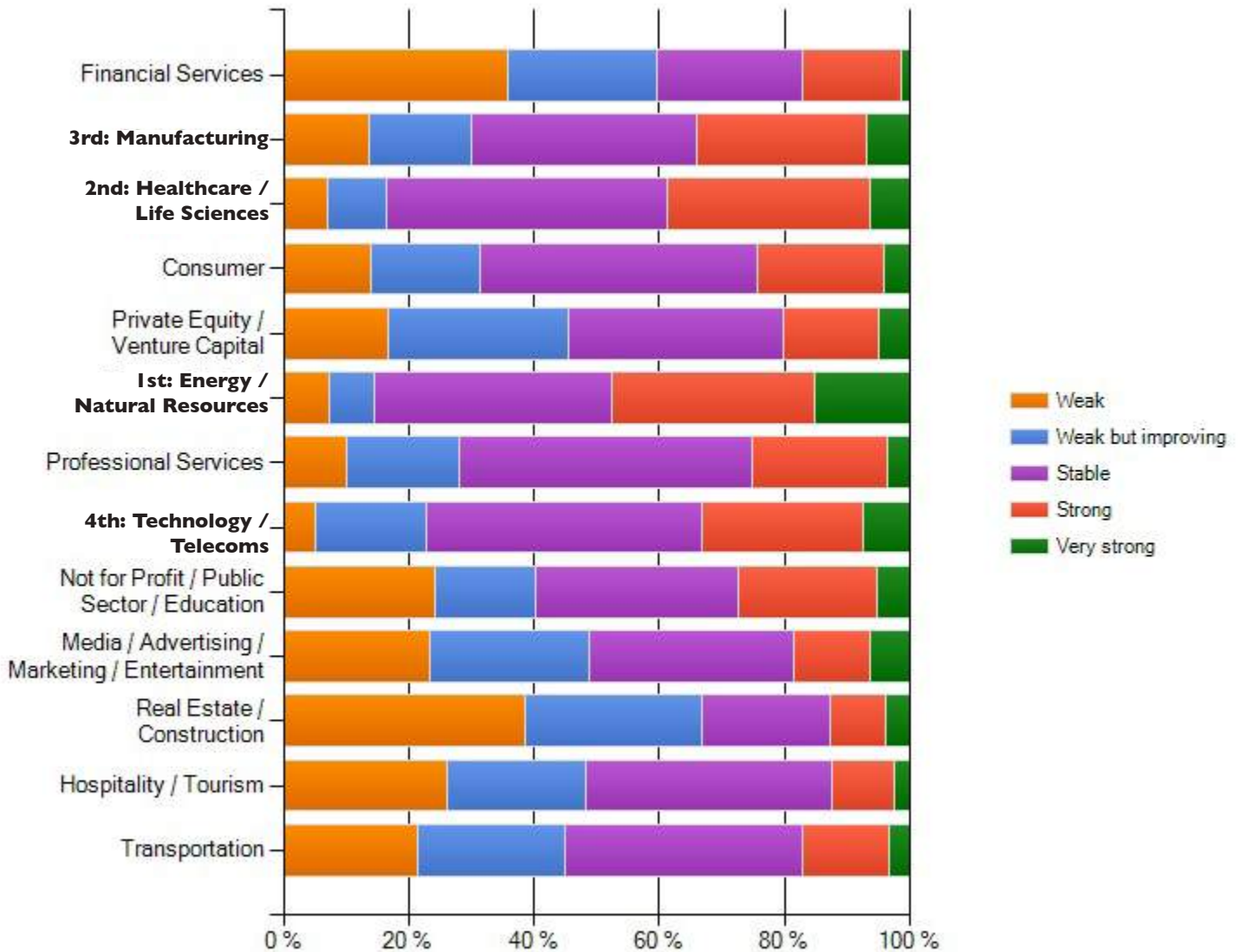
Regional variance - With the highest “Strong/Very strong” ratings, were:

Americas: Energy/Natural Resources (64%), Healthcare/Life Sciences (50%), Technology / Telecoms (40%), Private Equity / Venture Capital (39%).

EMEA: Energy/Natural Resources (45%), Manufacturing (35%), Healthcare/Life Sciences (32%), Technology / Telecoms (28%).

Asia Pacific: **Not for Profit / Public Sector / Education (41%)**, Healthcare/Life Sciences (33%), Manufacturing (30%), Energy/ Natural Resources (29%).

## Sector strength at December 2011

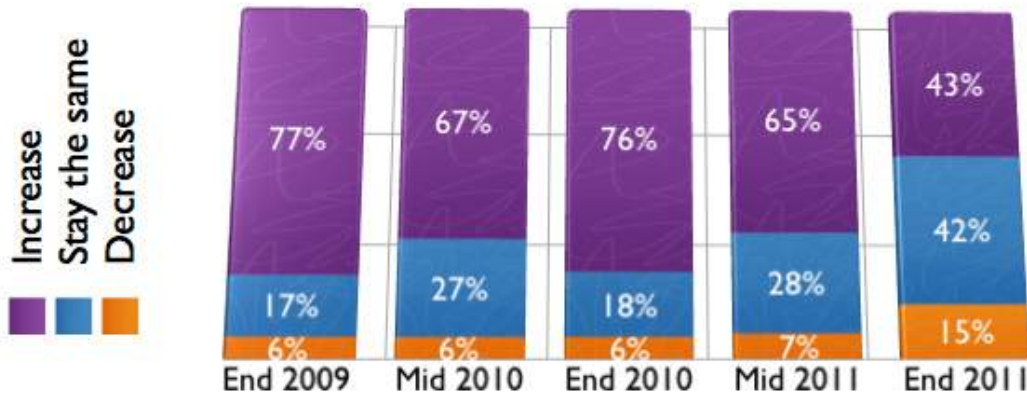


# Search Industry Revenue Projections

Global average - **Forty-three percent** of executive search consultants surveyed worldwide expect to see an **increase in their annual revenues in 2012** as compared to 2011, 42% predict their revenues will stay the same and 15% expect revenues to decrease in 2012. ~ Pictured below ~

Regional variance - Americas: **Increase 58%**, stay the same 34%, decrease 8%.  
 EMEA: Increase 27%, **stay the same 54%**, decrease 19%.  
 Asia Pacific: Increase 35%, **stay the same 48%**, decrease 17%.

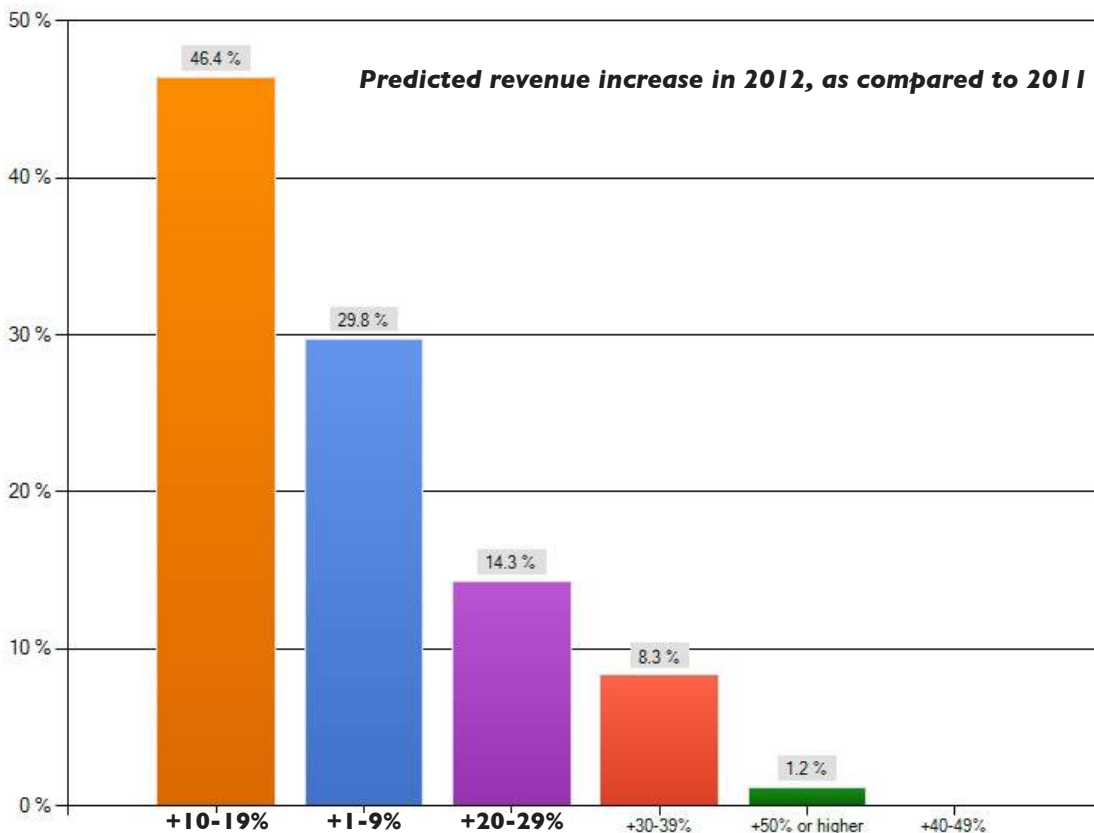
**Predicted change to annual revenues for year ahead (or 6 months ahead at mid-year point)**



## Anticipated Increase in Search Industry Revenues

Global average - Of the 43% predicting an increase in their 2012 revenues (above), the majority (46%) expect to see a rise of +10-19%, followed by a +1-9% rise (predicted by 30%). ~ Pictured below ~

Regional variance - Americas and EMEA: No significant regional variance.  
 Asia Pacific: Of the 35% predicting an increase in their 2012 revenues, the majority (50%) expect to see a rise of +20-29%, followed by a +10-19% rise. (Asia Pacific data for this question represents a smaller survey sample.)





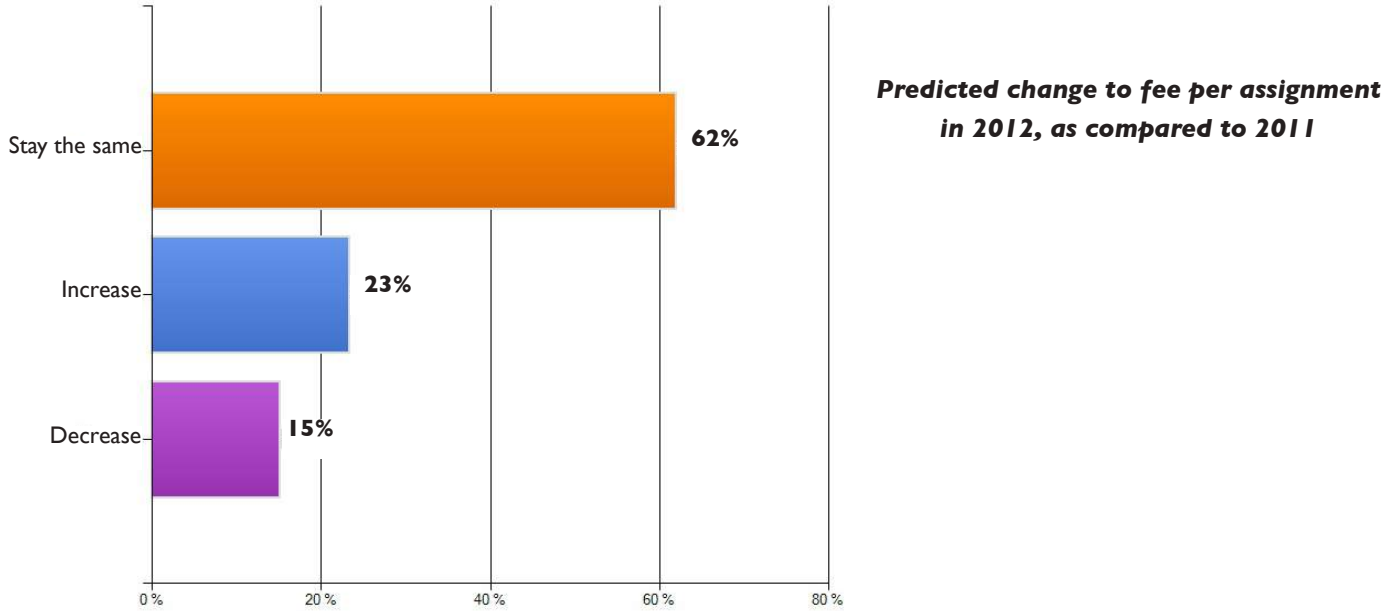
# Search Industry Fee Projections, 2012

Global average - **62%** of executive search consultants surveyed expect their **fee per assignment to stay the same in 2012** as compared to 2011, 23% expect it to increase and 15% expect it to decline. ~ Pictured below ~

Regional variance - Americas: Stay the same 62%, **increase 32%**, decrease 6%.

EMEA: Stay the same 65%, increase 15%, **decrease 20%**.

Asia Pacific: Stay the same 61%, increase 13%, **decrease 26%**.

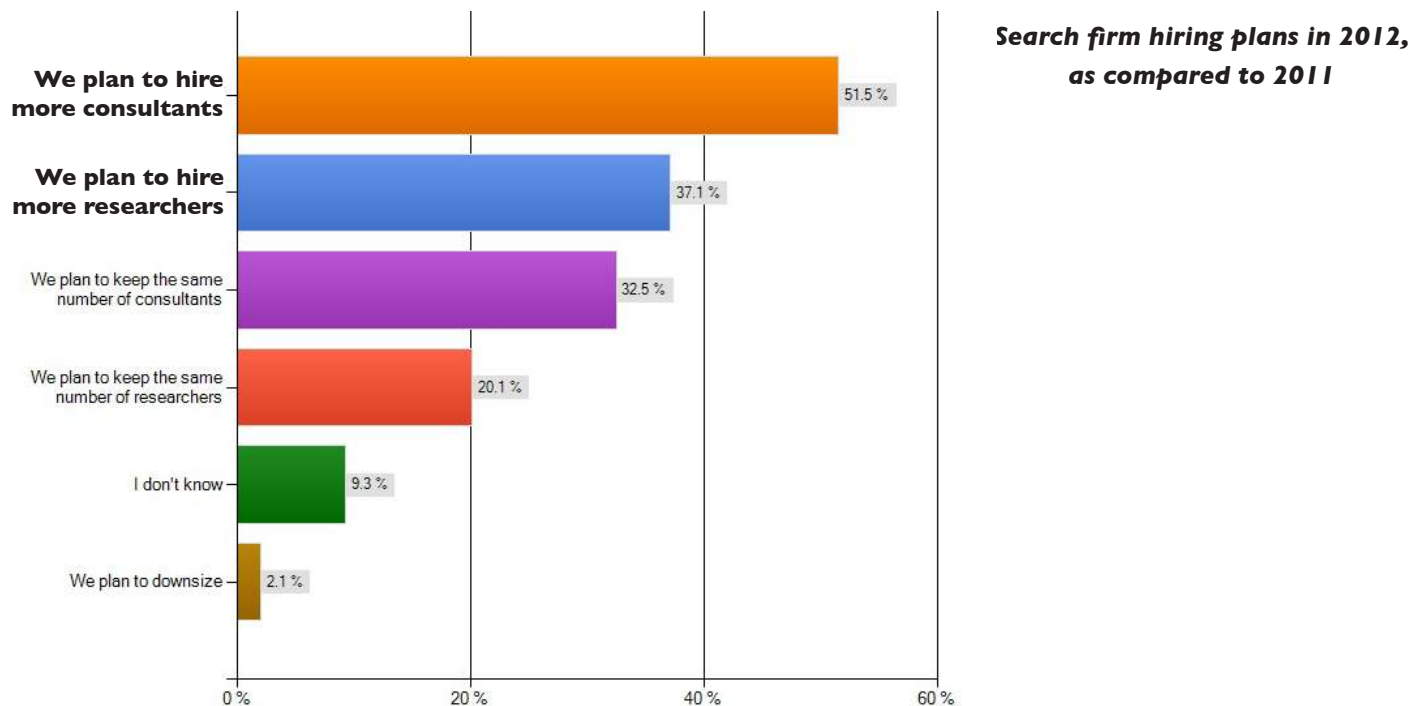


# Search Industry Hiring Plans, 2012

Global average - **52%** of executive search firms surveyed **plan to hire more consultants in 2012** as compared to 2011 and 37% plan to hire more researchers.

Regional variance - Americas: No significant variance. EMEA: Hire more consultants 47%, hire more researchers 28%, **keep the same number of consultants 42%**, keep the same number of researchers 27%.

Asia Pacific: Hire more consultants 44%, **hire more researchers 52%**, keep the same number of consultants 35%, keep the same number of researchers 17%.

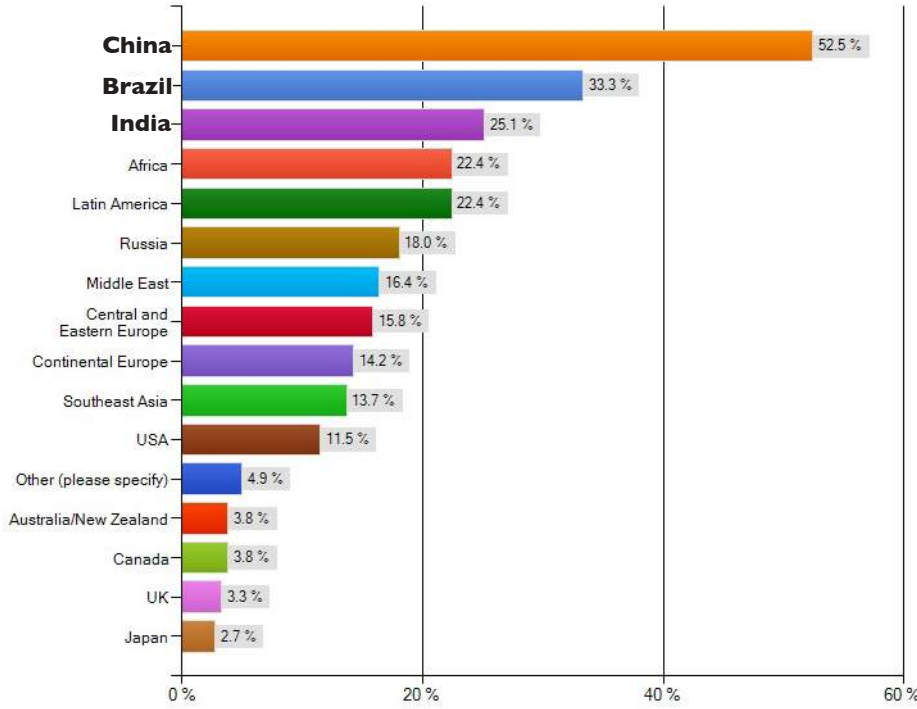


# Executive Talent Shortage, 2012

## Markets

*Global average* - Executive search consultants predict that **China, Brazil and India** will see the greatest shortage of executive talent in 2012. ~ Pictured below ~

*Regional variance* - Americas: China 44%, Brazil 40%, **USA 28%**.  
 EMEA: China 49%, Brazil 33%, **Africa 31%**.  
 Asia Pacific: China 83%, **India 52%, Southeast Asia 26%**.



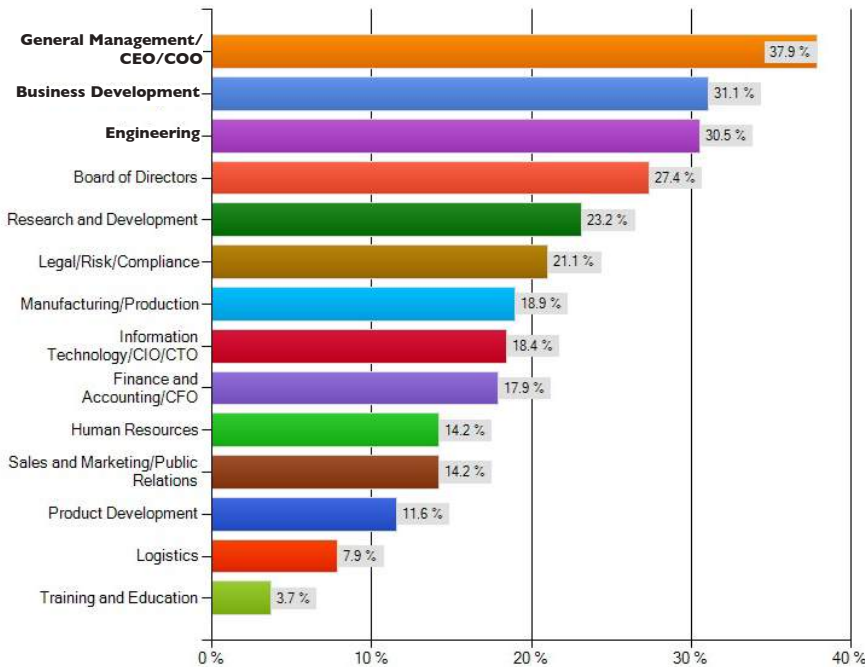
**Markets expected to see the greatest shortage of talent in 2012 \***

## Functions

*Global average* - The **General Management/CEO/COO** function is expected to see the greatest shortage of talent worldwide in 2012, followed by Business Development and then Engineering. ~ Pictured below ~

*Regional variance* - Americas: General Management/CEO/COO and Engineering in joint first place (34% each), followed by **Information Technology/CIO/CTO** (26%).  
 EMEA: **Board of Directors** in third place (32%).

Asia Pacific: **Business Development and Research and Development** in joint second place (39% each).



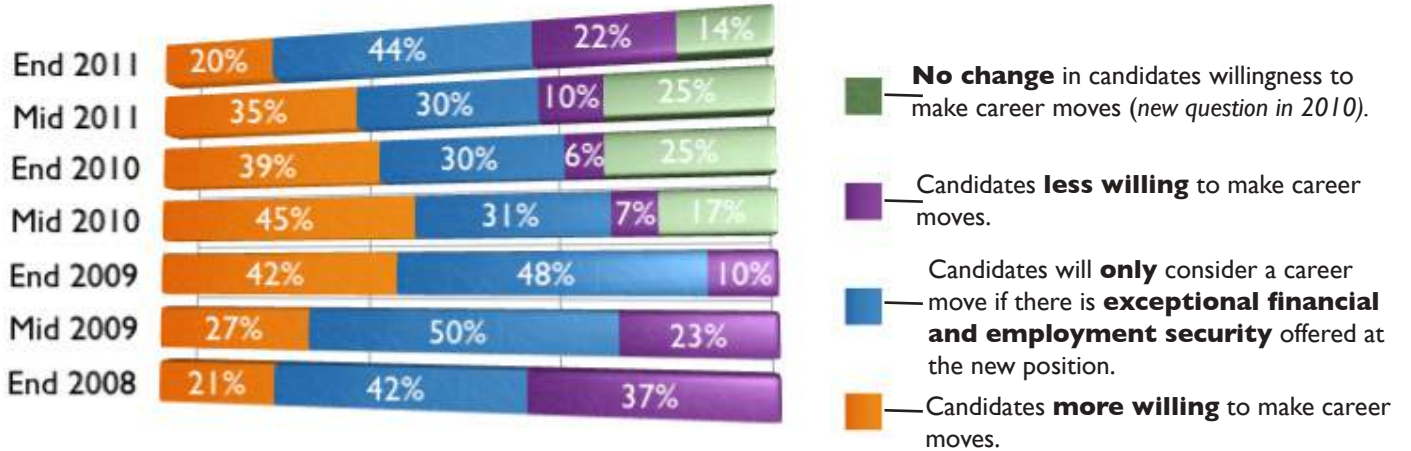
**Functions expected to see the greatest shortage of talent in 2012 \***

\* Respondents asked to select top three choices

## Willingness to Make Career Change

*Global average* - Looking ahead to 2012, 44% of executive search consultants surveyed believe that candidates will only consider a career move if there is exceptional financial and employment security offered at the new position, while 22% predict that candidates will be less willing to make career moves in 2012 than they were in 2011. ~ Pictured below ~

Consultants in the Americas showed more optimism: 35% predicted that candidates would be more willing to make a career move.  
**Predicted willingness of candidates to make career moves in year ahead (or 6 months ahead at mid-year point)**

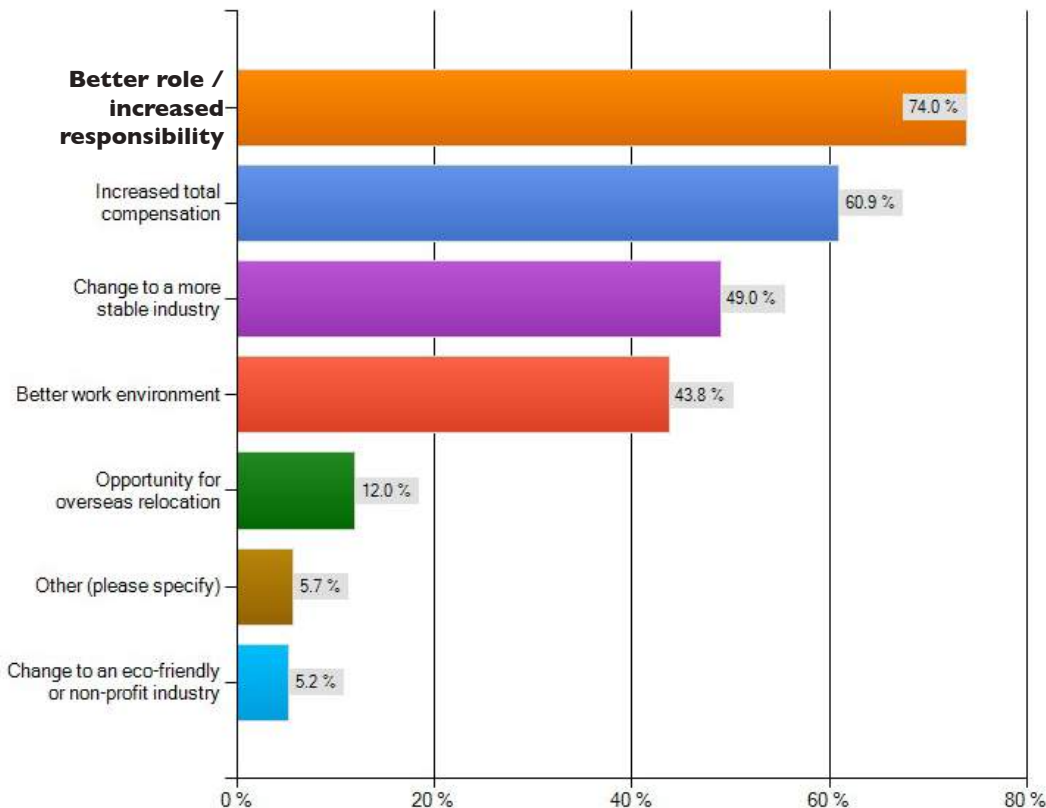


## Motivation for Career Change, 2012

*Global average* - **74%** of respondents believe that a **better role and increased responsibility** will most encourage senior executive career change in 2012. ~ Pictured below ~

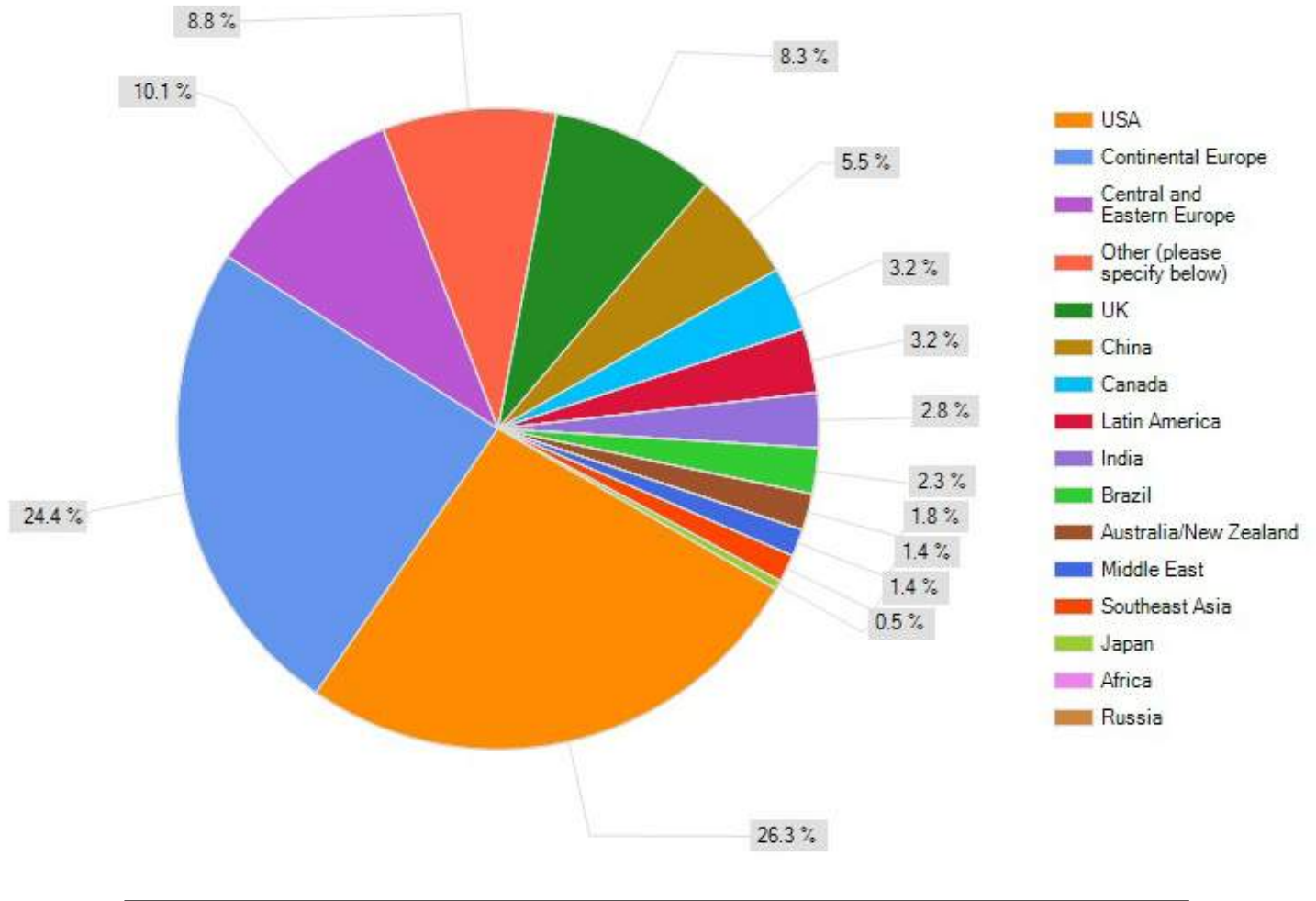
*Regional variance* - Americas: A **better work environment** was rated as the third most important benefit (50%).  
 EMEA: A change to a more stable industry was rated as second priority (54%), followed by increased total compensation (51%).  
 Asia Pacific: In joint third (52% each) with equal importance were a better work environment and a change to a more stable industry.

### Benefits to most entice senior executive mobility in 2012 \*



\* Respondents asked to select top three choices





**About The Association of Executive Search Consultants**

The Association of Executive Search Consultants (AESC) is the worldwide professional association for the retained executive search industry. The AESC promotes the highest professional standards in retained executive search consulting, broadens public understanding of the executive search process, and serves as an advocate for the interests of its member firms. For more information, or to download the AESC Code of Ethics and Professional Practice Guidelines, please visit [www.aesc.org](http://www.aesc.org).

The AESC offers [www.bluesteps.com](http://www.bluesteps.com), a career management service for senior executives, and [www.executivesearchconnect.com](http://www.executivesearchconnect.com), a service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC membership directory.

