

2010 Executive Job Market Intelligence Report



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Founded in 1988, ExecuNet is a private membership network for business leaders who believe that the right connections can produce extraordinary results in their careers and organizations. A recognized authority in executive recruiting and human capital, ExecuNet provides members access to confidential six-figure job opportunities, proprietary research and pragmatic advice. For more information, visit www.ExecuNet.com.

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About the Report

Executive Job Market Intelligence 2010 is based on simultaneous surveys of ExecuNet's executive members and the search firms and corporate recruiters who regularly use ExecuNet's services. In addition, we invited participation from the executive, search firm and corporate human resource communities of strategic partner organizations: *Forbes*; Financial Executives International (FEI); the Marketing Executives Networking Group (MENG); and Dillistone Systems, publishers of *search-consult*. The surveys, which we have conducted online annually for the past 18 years, seek to determine trends and best practices in executive-level career development and candidate search, hiring and retention. For the purpose of this research, executive-level denotes those professionals at the Director/Vice President/C-level and above with total annual compensation (salary + bonus) of \$150,000 or greater.



- A total of 3,636 participants were surveyed in January 2010: 2,642 executives from North America and an additional 297 executives from outside North America; 579 search firm consultants and corporate human resource and talent acquisition leaders; and 118 search firm consultants from a companion global survey. Those outside North America were predominantly from Australia, Belgium, Brazil, China, Denmark, France, Germany, India, Italy, Mexico, the Netherlands, Russia, Singapore, Switzerland and the UK, among others.
- Eighty percent of the North American executive respondents are male, while 20 percent are female. Overall, their average age is 51.7, and they report an average annual compensation (salary + bonus) over \$200,000.
- Of executives surveyed, 25 percent are the President, CEO, COO, Partner or Chairman in their organization; 16 percent identified themselves as other C-level or Senior Vice President; 32 percent are Vice Presidents; and 26 percent are Director-level. Fifty-five percent hold advanced educational degrees, of which 34 percent are MBAs; 13 percent have obtained some other Master's degree; 5 percent hold doctorates; and 4 percent have a professional degree such as MD or JD.
- Twenty-nine percent of executive respondents work in organizations where revenues are greater than \$1 billion annually. Fifty-eight percent are employed by private companies; 35 percent in publicly traded companies; and 7 percent in nonprofit/government entities.
- Fifty-nine percent of executive respondents are employed, with the balance in or expecting to enter transition soon. However, 60 percent of respondents report they are actively seeking a new position.
- Of the search firm professionals responding, these recruiters have been in the search industry for an average of 15 years. Of the corporate talent sourcing and acquisition executives responding, 68 percent are in leadership positions (Presidents, C-level executives, Senior Vice Presidents or Vice Presidents), and 16 percent are Directors in their organizations. ■

Facing a New Recovery, a New Resilience Emerges

The executive job market is recovering steadily but at an uncertain pace with opportunities hidden from easy view. ExecuNet's *Executive Job Market Intelligence Report* shows job creation increasing, recruiter confidence restored, and executives building new professional connections to improve their business performance and long-term career options.

Early in 2009, executives and recruiters, still staggering from the blows of the year-end financial market meltdown, were anticipating that while the start of the year would be tough, the economy and the resulting demand for leadership talent would stabilize and begin to improve by the end of the year. That prediction became reality in the last few months, as companies began shifting their focus from survival mode to rebuilding mode.

Even with positive signs returning to the economy, the changes we've seen over the past 18 months have been dramatic. Not just a downbeat note in a rhythmic cycle followed by a growing crescendo of activity, this recession and recovery is proving to be fundamentally different from past cycles. For executives to succeed in their businesses and thrive in their careers, this period some call the "new normal" is going to require a new approach to this new period of recovery.

Competition for open jobs is intense and companies are shying away from advertising openings to avoid the volume of applicants. Information is swirling, and executives are no longer relying on the news media for their market intelligence. Headline news shows government, businesses and consumers experiencing wide swings of confidence, fed by a barrage of changeable data points. One quick scan of the headlines and readers are off to the next challenge for the day. Executive leaders, proven practitioners and experienced colleagues are considered central to leading businesses out of the recession.

In this now restructured marketplace, the drivers of opportunity have changed. Consumers have rethought spending and their attitudes toward debt; a more active Federal Government changes the nature of how large industries such as financial services, healthcare and technology will perform; China, India and Brazil are demanding more attention in global markets; and with four generations in the workforce, all normal patterns of employment, promotions and retirements are dramatically shifting. The pace of change has accelerated, and executives need to be able to rely on the experience and knowledge of their

peers to help steer through the flood of information washing over their desks daily.

As the recession took hold in 2009, companies reacted swiftly by downsizing workforces and delaying new expenditures until there were clear signs of economic investment. A year ago, business leaders said their top priorities were cutting costs and managing plans and objectives with efficient organizations. Following their companies' attitudes, in-role executives focused on "working all out" in their organizations and placing new career aspirations on hold. Only 8 percent of company leaders said they were preparing strategies to be ready for an economic upturn. The hires they made in 2009 were strategic, surgical and favored the "rainmakers" and operations gurus who could either create revenue or cut expenses.

Today, successful leaders are focusing growth efforts on maximizing core competencies to gain market share and retaining key customer relationships. The news and market intelligence to support these efforts, once the mainstay of national and business media, is now being derived from online, real-time resources. Identifying trusted resources in this uncertain operating environment is critical to achieve growth, and peer advice is rapidly overtaking traditional media as the preferred intelligence source.

When the recovery will become truly robust, no one knows, but savvy executives have gotten the message that building connections to other executives and experts opens doors to new opportunities, both individually and for their organizations.

Amid the noise, those who choose to connect, rather than hunker down, are creating a new form of career insurance to protect their organizations and themselves against unexpected consequences derived from the current uncertainty in the market. One can only imagine that their peers at Lehman Brothers or Bear Stearns might have wished they'd done the same before their companies imploded, and they were caught without a plan and without a safety network. ■

Demand is More Flexible, Are You?

Many seasoned executives greeted this year with a combination of relief that the worst was over, yet they were still a bit fuzzy about how long it will take to regain lost ground and move forward. Whether the recovery is here, around the corner or further out on the horizon, economic indicators, including the trends ExecuNet monitors every month, show the recovery has begun and point to steady improvement, albeit more slowly than what we experienced coming out of the last recession in 2003.

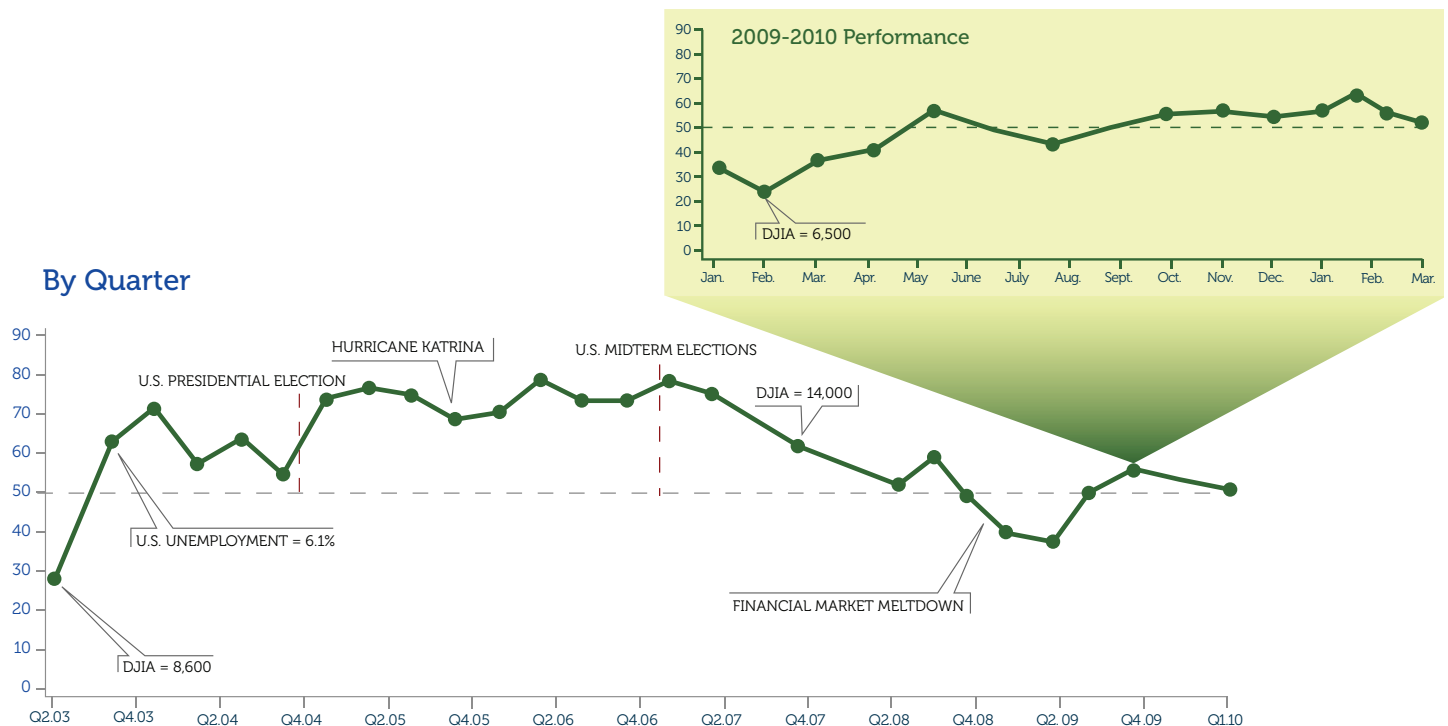
While many are quick to call this recession “unprecedented,” it is the circumstances of the recession – the banking industry meltdown and the corresponding swift action by the Federal Reserve and Federal Government in an effort to stabilize the economy – that was unparalleled. When ExecuNet was founded in 1988, executives in nearly every sector found themselves the victims of one of the first modern day massive waves of layoffs and reorganizations. Career-conscious executives began to take charge of their futures: focusing not just on short-term job searches, but on long-term career planning, noting that every day required attention to their own careers, not just the company’s goals.

In 22 years of chronicling the executive job market, we’ve seen up and down cycles before. Companies and their top talent become complacent at the peak when times are good and unnerved

when they hit the valley. The key difference today is seen in the speed with which companies responded to the crisis and the depth to which cuts were made in each organization. The increase in the number of high quality leaders available to hiring managers has led to significant changes in the way companies and the recruiters they hire source talent for their organizations. Advertising is out. Searching and connecting is in. The top executive job market is more hidden than ever; and companies know great talent is available, and they’re willing to sacrifice existing leaders to get the very best people available on their bus.

In growth periods, it’s a natural reaction for executives to become complacent about their career management. Many still consider the activities that lead to the end of a successful job search as not useful in daily work. But today’s rapid pace of change and the resulting uncertainty mean a trusted peer group is critical to remaining a competitive player for the long-term. The recession and slow-to-materialize recovery reminds executives that they bear the primary responsibility for their career’s development and for creating fulfilling options amid the instability in the marketplace. Executives are further challenged by the dizzying array of new tools available to job-seekers and recruiters, as they wend their way through a new career pattern that involves adjusting to the way organizations value your skills. ■

Recruiter Confidence Index 2003-2010



Growth Industries Generate New Hiring

Talk to any business leader today and you'll hear the same refrain, "Business was good last week and slow the week before, and I can't be sure about this week." Uncertainty abounds, but even in a bad economy there are areas of strength, and some overwhelming market trends are propelling key industries forward. Early in the year, we are seeing fresh retail and healthcare spending as the consumer adjusts to the new market conditions. Businesses are focused on keeping costs down, often choosing technology over people. And those companies in established emerging or Asian markets are reporting more robust sales and better long-term opportunities.

Executive recruiters who spent much of 2009 connecting with past clients and assessing where their needs will be confirm the top industries for executive talent in 2010 will be healthcare, clean/green technology, high-tech, pharma (including medical devices and biotech) and energy.

For the last three years, healthcare has topped our growth industry list, a trend that's fully aligned with U.S. Department of Labor Bureau of Labor Statistics (BLS) reports that the healthcare (and social assistance) industry is experiencing its greatest growth period since December 2007 with a 4.9 percent employment increase and the addition of 758,000 private sector jobs. An aging population coupled with the rising focus on wellness, the push for mandatory health insurance and breakthroughs in medicine have increased demand. The sector may be immune to economic fluctuations with little danger of diminishing through at least 2018, when the Department of Labor predicts approximately 26 percent of all new U.S. jobs (some 4 million new positions) will be in healthcare. Businesses that provide new "clean/green" products and services began emerging as significant market players early in 2009,

largely attributed to greater environmental focus and emphasis on preserving natural resources and finding alternative energy sources. New companies and divisions providing these new products and services are seeking talent to lead them to greater market share. And, the financial services (including banking and insurance) industry, which suffered significant losses in 2008 and 2009, while barely holding its place among the top 10 growth industries last year, may be poised for resurgence. The sector is already rebounding, seeking different skill sets than in prior years, moving to number seven in the 2010 predictions from executive recruiters.

The return of high technology to a top-tier rank is an encouraging signal of recovery resulting from increased corporate spending on infrastructure and capital improvements. Companies significantly deferred their investments with the downturn and now are making up for that deferral. "Investing in new technology" was ranked sixth on most executives' business priorities for the coming year, compared to last year when it barely warranted mention. Research and advisory company, Gartner, Inc., agrees predicting worldwide IT spending will increase 4.6 percent in 2010, leveling the decline during 2009 when spending contracted.

The 2009 American Reinvestment and Recovery Act, a financial package designed to stimulate the economy, is expected to pump nearly \$148 billion into the healthcare sector through a myriad of channels, including \$19 billion for health information technology; \$500 million into training "green collar" workers; and \$61 billion into the energy industry spurring increased hiring.

But job seekers should be cautioned that not every company in the growth industries will be a winner, and high expectations shouldn't substitute for targeted research. ►

High-Growth Industries predicted by executive search consultants

2008	2009	2010
1. Healthcare	1. Healthcare	1. Healthcare
2. Business Services	2. Clean/Green Technology	2. Clean/Green Technology
3. Pharma/Medical/Biotech	3. Pharma/Medical/Biotech	3. High Technology
4. High Technology	4. Energy/Utilities	4. Pharma/Medical/Biotech
5. Energy/Utilities	5. Business Services	5. Energy/Utilities
6. Financial Services/Banking/Insurance	6. High Technology	6. Business Services
7. Environmental Products/Services	7. Environmental Products/Services	7. Financial Services/Banking/Insurance
8. Manufacturing	8. Government/Nonprofit/Education	8. Government/Nonprofit/Education
9. Consumer Products	9. Defense/Aerospace	9. Environmental Products/Services
10. Defense/Aerospace	10. Financial Services/Banking/Insurance	10. Manufacturing

High-Growth Functional Specialties

predicted by executive search consultants

2008	2009	2010
1. Business Development	1. Business Development	1. Business Development
2. Sales 2. Operations Management	2. Sales	2. Sales
	3. Operations Management	3. Operations Management
4. General Management	4. Finance	4. Engineering
5. Engineering 5. Finance	5. Engineering	5. Marketing
	6. General Management	6. General Management
7. Marketing	7. Marketing	7. Finance
8. MIS/Information Technology	8. R&D	8. Consulting
9. Consulting	9. Consulting	9. R&D
10. R&D	10. MIS/Information Technology	10. MIS/Information Technology

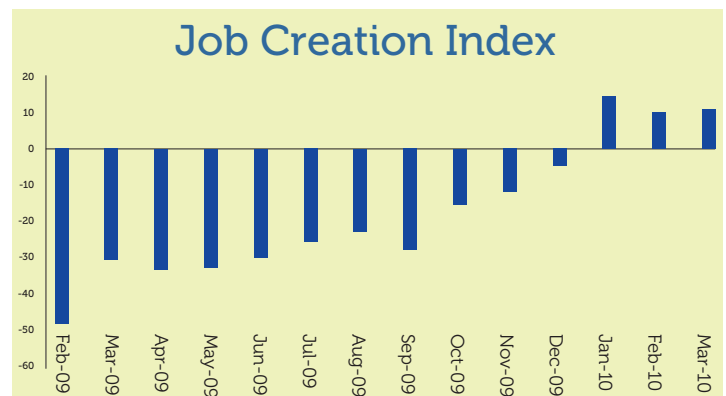
Top Growth Regions

according to search firms

2008	2009	2010
1. South/Southeast	1. West Coast	1. South/Southeast
2. West Coast	2. Southwest (including Texas)	2. Southwest (including Texas)
3. Southwest (including Texas)	3. South/Southeast	3. Northeast/New England
4. Midwest	4. Mid Atlantic	4. West Coast
5. Northeast/New England	5. Midwest	5. Mid Atlantic

Where these jobs are most likely to be found is also shifting. Regions stronger in light manufacturing, overseas exports, energy and high-tech equipment industries are seeing improved hiring at the executive level. The West Coast dropped from the top growth region in 2009 as a reaction to California's weakening economy, and, year-over-year, nearly twice as many recruiters projected growth in the Northeast/New England, where the manufacturing and financial services sectors strengthened. Texas' energy industry is helping to prop up the Southwest as a growth region, and the real estate market didn't experience the same declines as much of the rest of the country.

The greatest growth in executive hiring will be in small- to medium-sized companies, more specifically those with revenues earning between \$51 million and \$500 million in sales. CEOs in companies falling within this range reported heightened priority on investing in innovation to develop new competencies, products or services for the future, and preparing strategies to be ready for an economic upturn. ■



ExecuNet's Executive Job Creation Index turned positive for the first time at the start of the year, heralding new executive hiring activity that is expected to build throughout 2010.

Job creation from new positions or hiring for positions that had been open but placed on hold began to show positive growth in January. Recruiters are reservedly optimistic for 2010, predicting the year will close out with 14 percent growth in the assignments they receive — a positive, but more temperate view than their expected 22 percent growth climbing out of the last recession in 2004.

Companies Begin to Rebuild, Reinvest...with Caution

Although CEOs have been at their organizations for an average of eight years, they've only been at the helm for 2.7 years, which roughly coincides with the beginning of the downturn. To lead their organizations out of the wreckage of the latest recession and into the subsequent rebound, corporate leaders are going to continue focusing on the three key areas that helped them survive: cost-effective operations, an emphasis on strategy and building the talent in their leadership.

An uncertain economy means CEOs are asking their teams to remain vigilant about expenses and continuing the efficiencies they created in 2009 with additional cost-cutting (although likely not as dramatic as that in the last 18 months), redeployment of resources and streamlining operations wherever possible. Top leaders are focused on maintaining clear vision and keeping plans in place to achieve strategic objectives. Smart companies and smart executives are staying focused on the survival of their organizations, maintaining consistent action in the marketplace and avoiding distraction by all the noise that swirls around them.

Executives see value in developing the skills of their current team as a way to rebuild business. There's recognition that an economic upturn may cause voluntary turnover to increase, but senior leadership is not inclined to make retention a top priority until it can guarantee the overall health of business operations. In general, it's the third-tier managers who are trying to maintain the esprit de corps.

Whether at work or at home, the majority of executives are still worrying first about economic uncertainty. From that central concern, they are challenged to achieve consistent execution of

Executives Are Losing Sleep Over

1. Economic uncertainty
2. Consistent execution of our business strategy
3. Balancing the demands on my personal and professional life
4. Achieving my personal work-related goals
5. My pay will not increase

Mission-Critical Objectives for 2010

1. Focusing on our current core competencies, products and services
2. Proactively or aggressively working to gain market share
3. Retaining and enhancing current customer relationships
4. Actively launching new competencies, products and services
5. Investing in innovation to develop new competencies, products and services

business strategies, balancing demands of work and personal life, and accomplishing work-related goals. Diminished attention to financial market volatility in comparison to last year signals that executives believe the economy is stabilizing, but their rising concern that pay won't increase connotes a feeling that while they survived, their compensation won't rebound as quickly as they'd like.

The wary eye cast toward the economy and the unknown length of the recovery period means top executives are placing their bets on leveraging their organization's core competencies, products and services. The demand for business development and sales talent shows their commitment to gaining as much market share as possible by mining current and new customer relationships. ■

Where High-Performance Executives are Focused by Level

CEOs

1. Establishing vision and strategy
2. Creating more efficiency in my company's operations
3. Managing plans and objectives
4. Cutting costs
5. Managing and developing the people on my team

Operational Leadership (VPs and Directors)

1. Creating more efficiency in my company's operations
2. Managing plans and objectives
3. Establishing vision and strategy
4. Cutting costs
5. Managing and developing the people on my team

Line Managers

1. Cutting costs
2. Creating more efficiency in my company's operations
3. Managing plans and objectives
4. Managing and developing the people on my team
5. Establishing vision and strategy

How Companies Find Talent Changes Dramatically

Pressure to Find “Perfect” Candidates Increases as Open Postings Decrease

If you're relying on public job boards to be the sole indicators of opportunity, you'll be bitterly disappointed. About 90 percent of \$200K+ positions are not openly posted, say companies, and the few that are found on job boards receive such a high volume of unqualified responses that hiring managers think twice about pursuing candidates from the posts and instead turn to their networks of colleagues and peers for referrals. More than ever, it is critical for executives to extend their visibility and become “known for what you know” in a different way than responding to job listings.

And what you become known for has to be clear and specific. Companies are demanding more and taking longer to make decisions in this competitive market, pressing search firms to work significantly harder to find the right candidates: 81 percent of search consultants claim executive job specs are more demanding than a year ago, and more than three-quarters of corporate talent managers are in agreement.

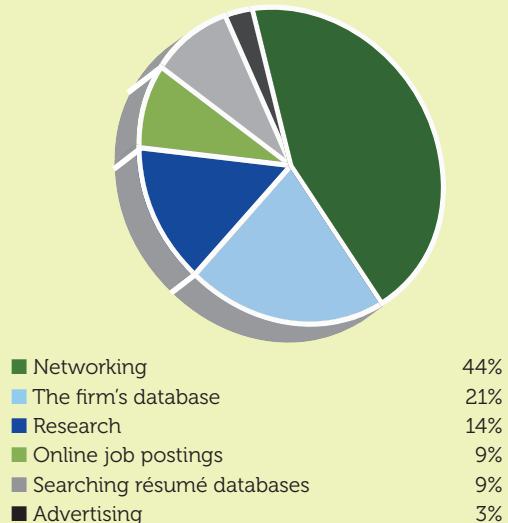
Having a findable – and favorable – online footprint has become the standard as search firms seek out those who are considered industry leaders or experts by their peer communities, and learning more about their skill sets before even the first contact. Once identified by a recruiter, executives' online reputations become more critical as a method for assessment.

In 2009, just over half of perfect candidates started as unknowns to recruiters: 53 percent of placed executives were found through search firms' original research, compared to nearly half that in 2008. So if you can't be found or you're not already known to a recruiter, there's little chance of ending up on the slate. Executives can increase their visibility by building up a network of contacts that includes recruiters. And when companies are sourcing candidates, they turn to their networks and employees for referrals.

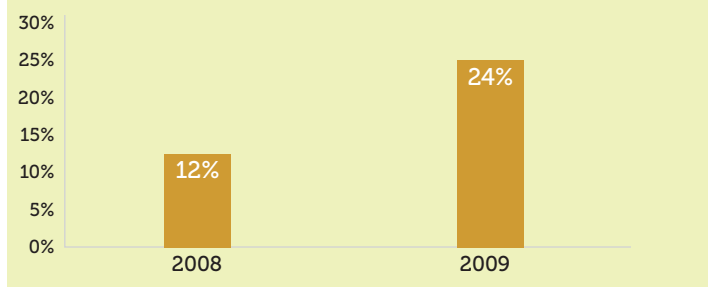
Top Methods Search Firms Use to Evaluate Candidates

1. Phone interview
2. Reference from trusted sources
3. In-person interview
4. Research to determine industry reputation/knowledge
5. Online information search

Where Recruiters Find Executive Candidates according to search firms



Unemployed Candidates Presented to Companies by Search Firms



Companies are relaxing their approach to unemployed candidates and industry-changers – two groups of qualified talent that traditionally have trouble getting in the front door. One-in-five executive searches were filled by candidates who were changing industries, indicating a stronger need for leadership and problem-solvers than industry-specific experience. Fewer corporate HR and search firm professionals report that being unemployed is as detrimental to the executive candidate today as it was three years ago than they did in 2009 and 2008. Moreover, the percentage of unemployed candidates presented by search firms to client companies doubled in 2009 over 2008. ■

Executive Search Business Prepares for its Own Recovery

Executive recruiters are always some steps ahead of the marketplace, scanning the horizon for imminent activity in corporate hiring. Despite market conditions, they manage relationships on both sides of the hiring table, providing ancillary human capital advisory services to companies until assignments multiply, while simultaneously tending to their network of potential candidates and referral and information sources.

Their business is a barometer of the executive employment market, serving as a leading indicator of corporate hiring, where they are often the conduits between the unadvertised executive-level jobs and the right candidates. It is by looking toward the activities, attitudes and confidence levels of the recruiting community that executives can gain the insight they need to plan their next career moves.

Nearly three-quarters of search firm recruiters report their clients significantly reduced executive hiring in the last 12 months, yet only 31 percent of corporate HR executives make the same claim. Hiring was happening, but corporate recruiters appeared to shoulder more hiring responsibility to minimize recruiting costs by exhausting their own resources first. The majority of executive recruiters confirm companies only give them the most difficult assignments or those too big to tackle.

The competition for search assignments will intensify as companies cautiously consider making additional hires in 2010. Search firms report 14 percent of corporations are not adding new executive-level jobs; 6 percent are not filling open positions; and 3 percent are eliminating them all together. However, 21 percent of corporations are adding new executive-level jobs, and untapped opportunity is hidden in another hiring pocket: 56 percent of corporations are trading up with new hires for existing executive jobs.

Despite the loss in assignments, search firms stayed relevant and maintained close relationships to companies and candidates in 2009. Executive search firms supplemented their recruiting business with a 36 percent lift in interim executive placements last year, supporting a new trend where companies and talent benefit through short-term transactions.

Executive Hires Where Corporations Engaged External Search Firms



Just because executive search assignments were sparse doesn't mean recruiters aren't beneficial contacts for executives. Recruiters today typically have a little more time for informational and exploratory conversations, especially when they can learn more about growing companies and new industries. Recruiters report they are continually extending their networks as they search for talent to fill short- and long-term interim roles and to fill the pipeline for the anticipated increase in full-time executive hiring. Rather than mistakenly reaching out to recruiters only when they are in job search, the most effective method for executives to develop long-lasting relationships is to share information and referrals, as recruiters' success depends on what and who they know.

Executives should use the same protocol when networking with recruiters as they would with any potential colleague. Executive job seekers wouldn't be inclined to cold call a fellow CXO and ask for a job, yet many search firm consultants complain those are the types of phone calls they get daily.

Although the economy battered search firms in 2008 and 2009, executive recruiters are optimistic about recovery in 2010. Search firm consultants are definitely looking forward and preparing for a stabilized economy, while at the same time, largely concentrating on business development activities. They are hopeful about success in those endeavors, as 3-in-10 are increasing their recruiting staff in anticipation. ■

Compensation Expectations Match the Market Mood

As companies begin to incentivize new leaders this year, recruitment and compensation practices will be under continued scrutiny. Compensation packages are expected to remain level with last year where the pressures of the recession took hold.

As in the last recession, the leverage shifted to the organizations and had a sobering effect on compensation packages offered in 2009 – particularly those outside of Wall Street. The elements that largely protect the executive from future problems, such as employment contracts, guaranteed severance, sign-on bonuses and even performance incentives, diminished.

With the news media focusing on Wall Street bonuses, the story of how compensation has been affected in other industries flies under the radar. Executives at every level saw their overall pay dip during 2009, as a result of shrunken bonuses and cutbacks, with CEO pay packets absorbing the most dramatic decreases. Compensation expectations for 2010 reflect a tempered outlook and employed job changers – those who typically see pay increase with a move – assume barely any movement for making a change.

While the large majority of recruiters refute the claim that compensation is the single biggest influence on executive career transition, 30 percent of candidates are turning down employment offers because the total pay is not high enough – even in this challenging market.

While executives might now receive less than what they used to bargain for, they can negotiate more strongly for other benefits. As companies offer what they think are of utmost

importance in compensation packages, executives can leverage the opportunity to get what they really want. The rising cost of healthcare has boosted the value of employer contributions for executives, yet companies and recruiters are underestimating the value it represents in compensation negotiations.

Further underscoring the importance, executives considered “healthcare contribution” as the second most critical element of their compensation package, right behind their annual performance bonus.

Perks are ranked low on the executive’s compensation wish list but companies are emphasizing it in the top three. And the significance executives are placing on professional

Employed Executives Expect Moderate Increase in Compensation

	2008 to 2009 Experience	2010 Expectations
Executives Overall	-12%	3%
President/CEO/COO/Partner/Chairman	-16%	6%
CXO (Other C-level)/Senior or Executive Vice President	-10%	3%
Vice President	-11%	1%
Director	-10%	2%
Male	-11%	3%
Female	-13%	2%

How Compensation Packages Changed in the “Great Recession”

percentage of executive-level compensation packages that included the following features:

	2007	2008	2009
Employment contract	33%	39%	27%
Guaranteed severance	44%	34%	22%
Non-compete agreement	65%	38%	37%
Sign-on bonus	36%	29%	23%
Stock options/equity	51%	32%	33%
Performance bonus	80%	71%	68%
Performance review within first six months	56%	42%	34%
Perks	51%	39%	28%

Compensation Packages Coming Out of the Last Recession

percentage of executive-level compensation packages that included the following features:

	2004	2005	2006
Employment contract	21%	25%	27%
Guaranteed severance	14%	29%	40%
Non-compete agreement	N/A	N/A	59%
Sign-on bonus	25%	41%	37%
Stock options/equity	25%	46%	51%
Performance bonus	70%	63%	80%
Performance review within first six months	32%	28%	50%
Perks	N/A	N/A	38%

Other than Base Salary, Most Important Elements of Compensation Packages, Ranked by:

	Executives	Corporate HR	Search Firms
Annual performance bonus	1	1	1
Healthcare contribution	2	5	5
Stock options/equity	3	2	2
Long-term performance bonus	4	4	3
Profit sharing	5	6	4
Perks	6	3	7
Professional development budget	7	8	10
Severance terms	8	9	8
Employment contract	9	7	9
Commission structure	10	9	6

development budgets over severance packages telegraphs they are increasingly interested in strengthening portable skills to boost their market value.

Companies Stand Firm According to Search Consultants

	2008	2009	2010
Clients are less flexible with offers	19%	29%	51%
Clients are offering fewer incentives	24%	34%	56%
Clients are not as willing to negotiate	33%	26%	49%
Clients are more cautious about relocation	N/A	76%	83%

In a buyer's market, executives need to focus early on the components where hiring managers might be most flexible, such as performance bonuses, which more than two-thirds of new hires received in their packages last year.

The tight purse strings put search firms in a difficult position. Not only do they have to fight harder to get assignments from client companies, they have to find candidates who will agree to belt-tightened terms. More than half of search consultants surveyed expect companies to recruit top-talent at lower compensation in the coming year, and one-third of corporate recruiters agree their budgets per position are lower. ■

Apply Your Business Skills to Achieve Your Personal Goals

“Looking for a job is a full time job,” professionals vigorously engaged in seeking new opportunities quickly learn. But the reference is not restricted to the amount of time devoted to the search; it applies to the set of in-demand characteristics that have driven executive success and will enable them to land the next – and the right – role when projected externally into the marketplace.

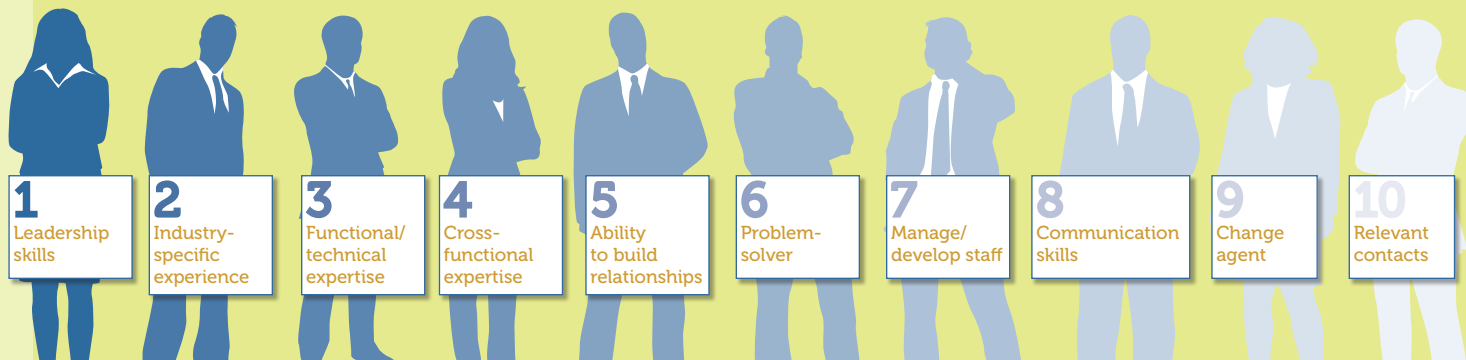
Skilled implementers of business development principles, in-role executives are always keeping a watchful eye for mutually beneficial partnership opportunities. Job search is not any different, and executives are succeeding when they view themselves as business partners seeking a new alliance. The pivot point that transforms job search from stress

to strength is when executives use a B-to-B relationship-building approach, supplying a solution that fulfills the need for a qualified buyer.

In-role executives conduct the due diligence to assess, diagnose and allocate resources to devise problem-solving strategies for their organizations' pain points. Job-seeking executives find the same philosophy holds true, except it takes more digging, outreach and investigation to identify the distress in target companies. Those landing new roles had little competition when utilizing this approach – just 7 percent of job seekers say they work to identify target companies for their skills. And that's up from prior years when the activity barely registered on job seeker to-do lists. ■

Most Sought-After Executive Characteristics

as identified by executive search consultants



Business Retention First, People Second

Organizations had to navigate a host of challenges in this recession – diminished consumer spending and market share, layoffs of critical talent and over-stretched resources – while maintaining steady levels of motivation and productivity. Having withstood a tumultuous couple of years cutting back, streamlining operations and deferring investments, 85 percent of executives were reportedly still committed to their organization, and 85 percent also said their work was engaging and a source of pride.

But engagement is not a sure sign of retention: 82 percent would return calls from recruiters in the hopes of building a relationship. More than 25 percent also said they would be inspired to look for a new job in the coming year, if they began receiving viable calls from recruiters.

There has been widespread speculation that a palpable economic rebound would trigger an executive exodus. The 2009 *Executive Retention Report*, research jointly conducted by ExecuNet and the retention firm Finnegan Mackenzie, asserted despite widespread corporate leadership beliefs that retention efforts were solidifying relationships, top talent did not express the same sentiment. This “retention deficit disorder,” the report predicted, would press senior business leaders to depart as the market improved, resulting in talent and leadership gaps, lack of qualified internal replacements, lapses in business and knowledge continuity, and a drain on recruitment budgets. While highly engaged in role, about half of the most senior organizational leaders confirmed they are engaged with active job search actions, which they

Executives Prepared and Ready to Launch a Successful Job Search

2010	34%
2009	43%
2008	56%
2007	69%

expect to intensify when the economy shows stronger signs of improvement.

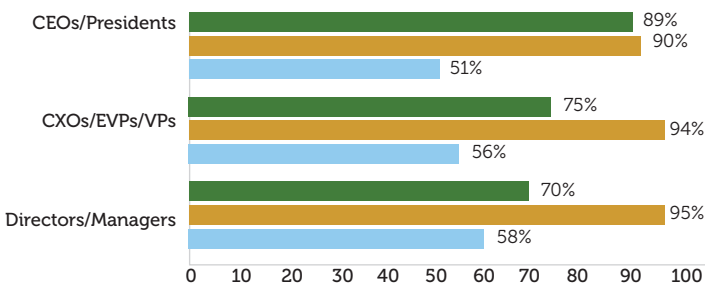
Corporate human resource leaders hear the warnings. Nearly 80 percent of the HR executives surveyed in January revealed a growing concern about retaining executive talent – up from 63 percent last year. When we asked, talent managers and CEOs professed they were strongly aligned in their concerns about executive churn, with nearly equal percentages attesting their organizations were going to work harder to retain top talent this year. However, CEOs did not list retention as a key business priority.

But fears of mass churn this year may be unfounded, as hesitancy and risk-aversion create inertia. While 45 percent of the executives in role had considered or prepared to voluntarily leave their organizations in the last 12 months; only 10 percent expect to voluntarily leave in the next six months; and fewer say they are ready to successfully embark on a job search than in previous years.

If executives are unprepared to leave and are staying put for now, then companies should be happy with their more stable leadership teams. However, 46 percent of corporate HR leaders are concerned about talent stagnation within their organization. And, while keeping searches under the radar, companies report they will leverage the current economic environment to “trade up” with new hires for existing jobs.

This fresh demand for A-player talent might not be matched by investment plans: fully one-third expect their organizations to recruit top talent at lower than average compensation in 2010, and another 21 percent were considering it. That’s no surprise to executives who figured their compensation would be flat when changing jobs, compared to 2009 when they expected a 7 percent salary bump and 2008 when they thought they’d earn an average of 12 percent more by making a change. ■

The Looming Executive Retention Challenge



Source: ExecuNet/Finnegan Mackenzie 2009 Executive Retention Report

- Engaged in Current Role
- Would Take Recruiter's Call
- Actively Looking Now

New Recovery = New Job Search Preparation

While “the economy” served as a catchall excuse in 2009 to immobilize those who would like to make a change, the reality is not as dire. As we tell our members, an executive needs to land one job and does not have to solve the problems of the entire economy to look for it. Judging from the steadily increasing number of executives who have successfully landed well-paying, high-level and satisfying roles in the last year, it’s clear the hurdles in the market can be overcome and careers continue to advance.

Nonetheless, that “hunkering down” mentality is evident in the dwindling number of executives who feel confident enough and ready to launch an effective job search campaign, with most seemingly waiting out the recession before actively pursuing new opportunities again. But if those executives are planning to rely on the same job search tactics that were effective prior to this downturn, they are likely to be disappointed. The steps to success are changing, and readiness is taking on a whole new meaning.

Traditionally, “ready” meant having an updated résumé that synthesized 20+ years of work history and professional experience into a bulleted, two-page document. While never the best representation of a successful career and full scope of a candidate’s capabilities, in this ultra-competitive environment, where recruiters are inundated with candidates and companies are handpicking the best talent available, that résumé 1.0 is even less effective. If hiring managers can’t quickly discern the problems you can solve for their organization, your résumé – and your candidacy – is summarily dismissed.

Online profiles — both on big public networks and private communities of peer-influencers – are a step forward on the evolving path of career marketing materials, but the content needs an upgrade too. If the paper version wasn’t already descriptive and compelling, merely transferring the same information to a website will only enable others to see an anemic display of a strong career. Instead, executives are shedding the conventional channels they used to sell themselves and are adopting the best branding practices from successful product marketers to get attention and attract opportunity their way. ■

Those with Updated Personal Marketing Materials

	2009	2010
Executives with recently updated résumé	60%	54%
CEOs with recently updated résumé		48%
Executives who believe their résumé is “recruiter-ready”	56%	54%
CEOs with recruiter-ready résumé		46%
Executives with recently updated online public profile	71%	67%
CEOs with recently updated online public profile		60%

Signs of Life: Indicators that Will Trigger Executives’ Job Searches

1. Receiving viable calls from recruiters
2. My organization’s poor performance
3. Hearing about others finding success and landing new roles
4. My industry’s improved prospects
5. Improved unemployment rates
6. Real estate market rebound and more homes selling
7. Better stock market performance
8. Seeing more job ads

Executive Readiness: “Yes, I am Prepared for a Successful Job Search”

Executives – All Levels	34%
President/CEO/COO/Partner/Chair	27%
CXO (Other C-level)/Senior or Executive Vice President	30%
Vice President	37%
Director	39%
By Age	
25 to 40	36%
41 to 50	39%
51 to 60	34%
61+	17%

The Hidden Job Market: Where Opportunities Are and Your Competitors Aren't

Your next opportunity is the one you create, and it's not likely to have an open job order or public posting associated with it. Postings for open executive-level jobs are already scarce, and there is an extra cloak of invisibility over the opportunities for A-players to replace lower-performing talent, as companies indicate they'll be trading up with new hires for existing executive jobs. As a result, executives are either sleuthing out the inconspicuous high-paying positions through targeted conversations or connecting with corporate decision-makers and selling themselves as problem-solvers.

In 1995, ExecuNet brought executive job postings online when few executives were accustomed to using the Internet for job search, but by the turn-of-the-century, newspapers had digitized their classified sections and the big, all-encompassing job boards proliferated. As the number of job boards wildly multiplied, the higher paying positions became harder to find with many hidden and not advertised publicly anywhere. While once a mainstay for many job seekers, the public online job boards are now less fruitful, with just a small fraction of top executive positions being widely posted and the chances of finding success among the opportunities on the wide open web dwindling. Of the few that are posted, the competition is so great that qualified candidates are lost among the sea of submitted résumés.

For executives, public job boards offer low ROI and time spent clicking and attaching résumés only yields a false

sense of productivity. Despite heavy skepticism among 79 percent of senior-level business leaders who think their résumés are probably getting lost in a large pool of replies, 13 percent still consider responding to postings a viable job search activity.

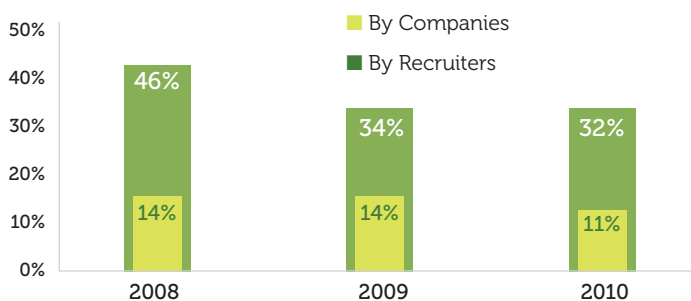
Niche job boards used in a targeted manner can be one tool in a comprehensive career campaign. Recently landed executives say they use job postings for research into company needs and for tips on how to position their skills. Recruiters and hiring managers seeking only the most qualified talent turn to the niche, generally private, job boards to list positions and avoid the tsunami of unqualified résumés they typically get when posting out in the open.

Companies find the aggregators can frustrate efforts to create an "employment brand." Many companies want to control how long their ads are posted and where they are posted as a way to control their brand image. Resourceful executives scour the publicly available job boards for fact-finding, and 80 percent use open postings to learn about market needs, including:

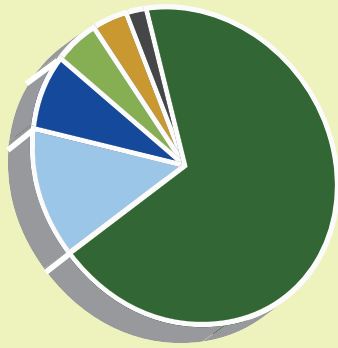
- Identify hiring and growth trends
- Research target industries and companies
- Understand the pain points companies and industries are facing
- Learn more about keywords, titles and associated skill sets
- Become conversant and fluent in industry-, company- and culture-specific language that resonates with potential employers
- Strengthen executive résumés and other marketing materials

As energy shifts away from job boards, executives are turning their attention to people. Networking, both online and off, is the primary success activity for job seekers to create or identify career options. More specifically, executives devote the most networking time to routinely build relationships outside their company and with industry/trade contacts. Business leaders have recognized that while their companies may evaluate them, it is their networks who perceive their market value, and deepening their external relationships is an effective long-term career investment. ▶

Percentage of \$200K Positions Publicly Posted on Job Boards or Websites



How Executives Find Career Options



■ Networking	68%
■ Responding to job postings	13%
■ Research to identify companies and potential contacts	8%
■ Posting résumés in online databases	5%
■ Maintaining an online profile to attract contacts	4%
■ Other direct contact (using mailing lists, cold calls)	2%

Recruiters are seemingly not included among the network of contacts executives build outside their companies, with just 7 percent routinely networking with them. The relationship between recruiters and executives has a history of feeling unbalanced, depending on who's in need at the time. Forty-six percent of executives don't expect recruiters to reply to their résumés, and almost 1-in-5 recruiters say that it's not any easier to have potential candidates take their calls in the last year.

Well-developed connections to the right recruiters can support entire career lifecycles, and not exclusively job seekers. They are strong allies for in-role executives, as search firms increase their influence and advise organizational workforce plans.

Active Executives Use their Networks Most Often to...

1. Identify job opportunities
2. Reconnect with former colleagues
3. Identify and develop new business leads and referrals

The most successfully connected senior leaders embody the philosophy that it is better to give than to receive, as helping others makes a bigger – and longer lasting – imprint on their network. They view networking as more than a transactional activity; it is relationship building, which might be the upside to the recession. Just as companies and search firms are developing and strengthening their relationships to customers and clients, executives are wisely using any downtime to cultivate new connections well outside their normal circles. As one recruiter recently noted, "Successful executives are realizing that networking is for more than just when you're not working."

Just 8 percent of executives say they use their networks to help others, nearly guaranteeing the most helpful are the most memorable. Executives over age 61 are most likely to offer their networks a helping hand, followed by women of all ages, while 25- to 40-year-olds are least likely.

Acknowledging the best connections might be ones they haven't made yet, executives are using online tools to reach beyond their immediate network and gain access to targeted contacts. About 25 percent of executives gain contacts through face-to-face meetings, reinforcing the fact that relationships can't be solely built and sustained in a simply one-dimensional communication medium. The most successful professionals take time to solidify attachments to their networks and strengthen relationships by augmenting online interactions with phone calls or following up in-person meetings with email conversations. ■

Career Planning Begins Within

Executive career success comes from understanding your unique value proposition at work and representing yourself well, but it's not an identification made quickly and easily. Contemporary job search is more than following a prescribed set of formulaic steps or applying new tools to tired old tactics. To be successful in today's ultra-competitive environment requires an individual approach using executive-level strategy. Attitudinally, it begins as an inside job.

"Hunkering down," be it out of fear, complacency or denial, has been the prevalent state for many over the last 12-to-18 months. With heads down, either engrossed in volumes of work or to avoid the next round of layoffs, in-role executives are deeply rooted in maintaining status quo. This mindset has paralyzed their advancement and growth, and inhibited their ability to take calculated business risks.

For job seekers, this sense of risk-aversion manifests itself by preventing open-minded analysis of the potential opportunities they can create for themselves. Not surprisingly,

executives in transition feel the sooner they can return to a similar work environment and set of responsibilities as what they just left, the better. And it's this kind of thinking that can often cause these executives to miss opportunities. While it is easy to feel victimized by the circumstances surrounding job loss, executives who unknowingly wear their injury like an emblem are condemning their new search before they even start.

The process of change has to begin with self-assessment. Just as businesses must "go quiet" prior to periods of going public, announcing a reorganization or transition, so must executives who are getting ready to make a move. It is from this stretch of self-reflection and assessment that defined career goals will appear. Executives can then go to market as a new – and sought-after – commodity by first answering these questions:

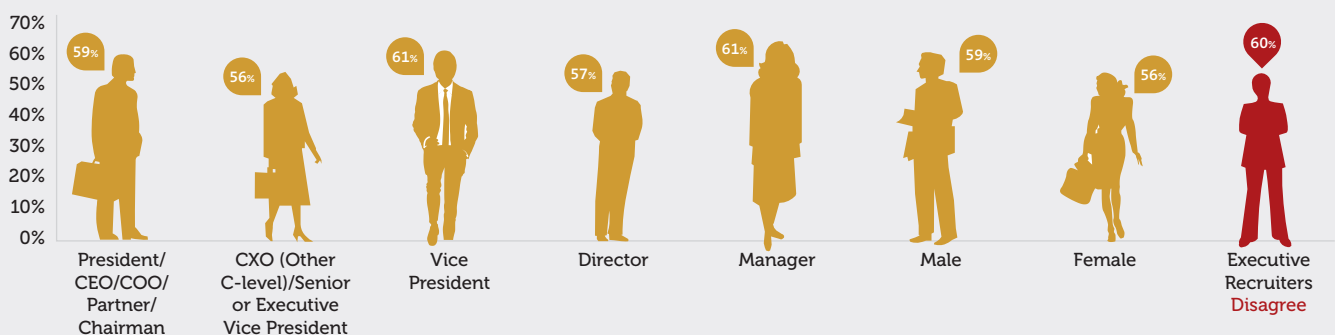
- What problems do I solve?
- Who is my target market?
- What makes me unique in the marketplace?
- Why should an employer hire me? ■

Personal Marketing is the Centerpiece at Work and in Search

Successful executives recognize self-assessment and insight have to be accompanied by a go-to-market strategy that enables their communities of influence to define them. Marketing yourself in today's marketplace requires more than reliance on a static, historical résumé. With brand development in mind, executives strategically focus on associating their name with keywords that evoke strong linkages to their core competencies, expertise and specialization, among the networks where peers and influencers gather.

Leaders express their brand as the promise they make to the marketplace and what differentiates them from all the others with the same job title or work experience. It is the tagline, descriptor, slogan or statement that encapsulates an entire unique value, enabling others to quickly understand who they are and what they do.

Those Who Believe their Résumé Accurately Presents their Brand Value



For example, a sales executive, who previously pitched the ability to "lead strong teams and exceed quotas," adds new dimension and becomes more memorable when more strategically described as a "market leader who understands that partnering with business customers makes them happier and more profitable." Delivered with clarity and consistency across multiple communication channels, this executive attracts attention from potential employers and future customers who identified the value of this philosophy, regardless of industry. ■

Bring Your Brand Online

Establishing online evidence of the holistic package of value you bring to organizations is now a career management imperative to get the competitive edge, as recruiters turn to search engines, social sites and private online communities to network, source potential candidates and garner referrals.

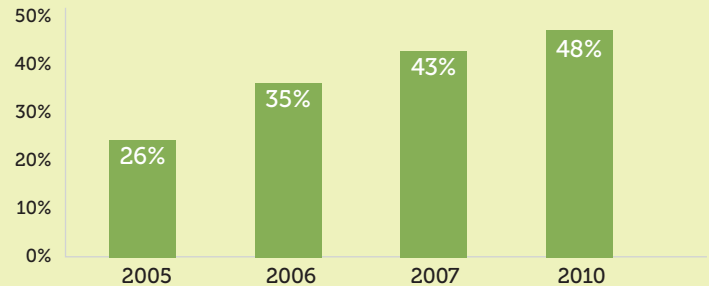
Recruiters are also online to learn information that may lie beyond the résumés of executives they are considering for a slate. Ninety percent of search firm recruiters now make it a regular practice to Google candidates to find anything that can help draw a complete picture of that individual – up from 75 percent when ExecuNet began researching this activity in 2005.

Corporate recruiters lag slightly behind the search firms in routinely Googling candidates, but they are in full agreement on one thing: 80 percent say a candidate's job prospects improve when positive information (such as thought leadership, community service activities or published articles) is found online.

Crafting an online identity is not exclusive to job seekers, and just about half of executives worked to become visible on the web in the last year, actively launching controlled reputation management and brand identity campaigns. CEOs, who know their continued success in attracting business partners and opportunities depends on a strong reputable image, organizationally lead the way in establishing themselves online.

In 2010, if there are no Internet references to your success and history of accomplishments, you don't exist. Blogging, commenting, posting, updating, publishing articles,

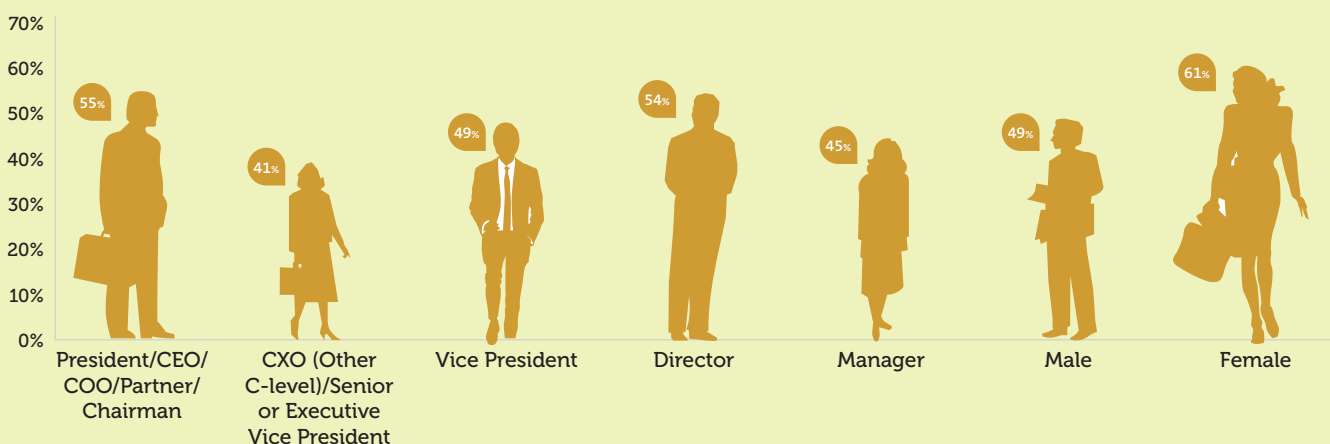
Executive Recruiters Who Eliminated Candidates Based on Online Information



participating in online conversations, connecting with peers, seeking out specialized communities and attracting positive attention are now everyday activities for leaders who know the value of visibility to the right people. Just like any community, you're known by the company you keep, and the right environment will attract targeted prospects.

Worse than being invisible, however, are the digital deal-breakers recruiters uncover when they Google executives: ethics violations, falsified employment history and felony convictions, which lead to eliminating candidates from consideration. With the proliferation of online communities and the increased comfort of information-sharing and living openly on the web, the number of recruiters who have more recently rejected a candidate because of what the Internet revealed increased 85 percent since 2005. ■

Executives Who Have Actively Worked to Increase their Online Visibility



From Recession, Innovation is Born

As the economy stabilizes, businesses grow and career opportunities flourish again, we might look upon this last recession as one that challenged us to deepen our creative thinking, adapt to quickly fluctuating market conditions, and build a new future – but more so for business continuity and survival than planned change.

The hard business and career lessons learned in past recession to recovery cycles appear to have been short-lived, as even the most successful executives were reminded this unstable economy requires them to cast the same innovative eye toward creating their next career opportunity. However, job seekers who weathered previous recessions were finding unparalleled challenges in this environment. The combination of high unemployment and few advertised senior-level positions demands advanced methods for building a solid career path and includes new – and often unfamiliar – tools, trends and rules of engagement.

Coming out of the last recession in the early part of the millennium, when the economy and job market began to recover, companies sought attention from talent through advertising and job listings, which had migrated online from newspapers. The Internet was a tremendous upgrade over print, and job seekers could quickly access an abundance of entry-, junior- and mid-management-level postings consolidated online.

But executive-level online job postings were always rare, and Gen X executives now turning to the Internet expecting the same success they had in the past at finding lower-level positions are surprised when coming up empty. For all 18 years of ExecuNet's market research and reporting, networking and connecting with key influencers in target companies has always created more executive job opportunities than any advertising – print or online.

In 2005 through much of 2008, the demand for executive talent intensified, and companies competed to attract the best

candidates with healthy compensation packages, prominent employment branding, and enhanced work/life benefits. Some, like Google, for example, became well-known talent magnets for the best and brightest because of their culture, workplace philosophy, values and atmosphere.

But as Saatchi & Saatchi CEO Kevin Roberts notes, we've grown from an "attention" economy to one of "attraction," and now, "participation," which savvy job seekers are leveraging to their advantage. The proliferation of social networks has set the stage for participation, where consumers interact with brands, candidates with companies, recruiters with client and executive pipelines. The combination of available company research, access to key decision-makers, and online tools that help power interaction are driving the dialogue between job seekers and organizations, enabling them to assess mutual benefits sometimes before positions are officially created.

The most successful leaders in today's economy are those who aren't defeated by the headlines, but empowered by the hidden possibilities. They responded to the recession by adopting a proactive attitude and shifted their gaze away from the past and brought forth a redesigned career perspective. They've invested in themselves and their networks, just as the best companies invested in their customers to create and be prepared to take advantage of the turnaround when it came.

Complacency doesn't serve the job seeker, nor does company growth and individual performance guarantee security, and the responsibility of driving a sustainable and rewarding career falls squarely on the executive. But this doesn't have to be a solo journey; the power to plan and engage in developing your career-long success rests on your ability to generate that trusted set of peers who can be your personal board of advisors on the job and whenever you are seeking a change. As in chess, where a match is won in advance of the final move, anticipatory executives who plan many steps ahead of transition are those finding success. ■

There is nothing like a dream to create the future.

- Victor Hugo



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