

Slow Economic Growth in the Midst of Uncertainty: Q2 In Review



Now that we are well into 2012, the macro economic situation is seemingly on par to that of 2011. Europe may well be the more worrisome news with more bailouts on the horizon, and no real end in sight to countries plagued by toxic debt and fiscal austerity. With Greece recently bailed out, Italy and Spain are teetering on their own fiscal crises. The US economy is sputtering along at a growth rate of 1.5%, mainly due to a drawback in consumer spending. In Asia, China's economy grew at the slowest rate in three years, but still clocked in at a healthy 7.6%. Company executives are watching global markets closely to react quickly in locations where they have operations.

The fragile global economy is experiencing headwinds. For this reason, we are seeing executives in a holding pattern to grow the company rosters, there is little new "headcount" being created. Building a bench of talent in many departments

is being put on the back burner. “Caution” is a popular term being used and it’s understandable given the level of uncertainty for the economy over the coming months.

Ironically, there is still significant demand for top talent and in fact, we are seeing significant demand for ‘A Players’. The Technology, Financial, and Insurance sectors seem to be buoying the demand for top talent which mirrors the findings of the most [recent AESC Quarterly Survey](#).

While companies are not aggressively expanding headcount, they are more willing to make replacements – wanting to install a *superstar* for the C-Suite or other senior executive position. In fact, many companies report shortages for well seasoned executives. Multiple offers are now more common than not – something we haven’t experienced since 2008.

This has presented retained search with a high demand for targeted searches; it just might be a more complex road to finding a suitable ‘A’ candidates who are willing to make a move. A recent AESC survey indicated that 57% of senior executives are willing to make a career move. In the same survey, many respondents indicated a negative outlook in terms of economic instability and career stagnation.

It may seem somewhat redundant, but like many previous quarters, the 2nd quarter of 2012 is full of optimism but paralyzed by uncertainty and caution. Companies want to hire ‘A Players’, executives are willing to move, but action is slow to happen.