

CANDIDATE SENTIMENT SURVEY INSIGHT 2019

The push and pull
factors for executive
leaders



INTRODUCTION

The current market is one of uncertainty and rapid change, with the UK preparing to exit the EU in March 2019, and November's IMF update on the UK's economic outlook stating that growth has moderated since the 2016 referendum. This has shifted the UK to near the bottom of the G7 growth leagues with growth forecasted at 1.5% for the coming years. It may therefore seem surprising that the UK's employment rate has hit new historic highs. As candidate availability declines, and wage growth increases, it is commonplace that organisations remain challenged by their recruitment processes.

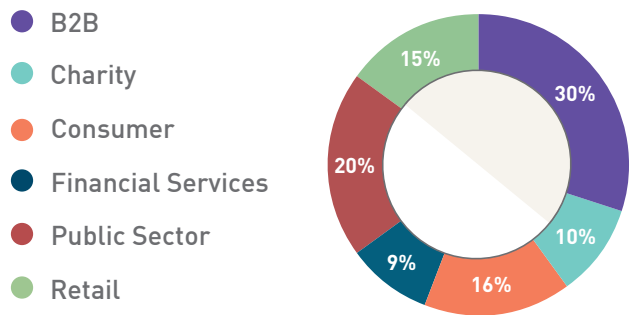
CEOs recognise that top talent is fundamental to the success of growth and transformation strategies, which aim to extract higher productivity in a market with an uncertain economic outlook and technology disrupting routes to markets and customer interaction.

In January 2019, Page Executive surveyed 169 senior professionals across the UK to understand their sentiment toward the employment market, and explore the current push, and pull factors that are driving this group to seek new opportunities. This helps us to identify the challenges and opportunities that organisations are facing when attracting, hiring, and retaining high calibre people. It has also allowed

us to compare the results from our 2016 survey which was conducted prior to the Brexit decision.

The majority of our respondents were in permanent employment in B2B, consumer, retail, and the public sector.

RESPONDENTS' INDUSTRY SECTOR



MARKET CONFIDENCE

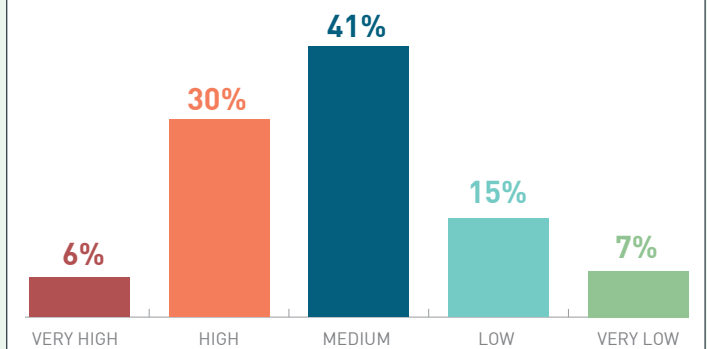
Over the past 12 months, the average number of opportunities that senior leaders have considered remains stable at five, although this is relatively high. It is therefore common to find leading talent involved in multiple recruitment processes when determining their next career move. This also includes headhunted candidates who traditionally have been very passive in their job searches, and therefore would only consider a single opportunity at any one time. In light of this, it is not surprising that our survey found approximately 95% of respondents to be open to new opportunities, identifying that they would consider moving employers in the next 12 months. This is up from 89% prior to the vote to leave the EU.

Despite this, just 36% of respondents have very high or high confidence in the market. The majority of respondents (41%) have medium confidence and only 23% have low, or very low confidence, in the market over the next 12 months. Interestingly, 40% of male respondents have a high to very high confidence in the job market, compared to 24% of female respondents sharing the same sentiment.

This confidence reflects November's IMF report which states the UK is at historic highs of employment. Meaning as capacity declines, and wages increase, market confidence increases. This situation results in organisations facing increasing retention issues, especially amongst their highest calibre people.

The retention problem is not alleviated by simply hiring new people. Organisations are now facing a market where the majority of candidates are receiving multiple job opportunities, thus creating increased competition for their skills and experience. It should also be recognised that the traditional defence mechanism of simply "buying back" an employee with an increased salary, cannot be a long-term fix. This is especially true considering that the primary drivers pushing professionals to resign are not monetary related. Increased pay does not address the fundamental reasons that led to the decision to leave, meaning that they remain a flight risk to the organisation.

CONFIDENCE IN EMPLOYMENT MARKET





WHY MOVE?

2019 PUSH AND PULL FACTORS

The reasons behind any professional's decision to leave their current organisation can normally be split into two defining groups: 'push' and 'pull' factors. Our survey sought to establish what the current push factors are for individuals to make the decision to activate their job search, or in extreme cases, resign without a new job confirmed. It equally seeks to understand which pull factors would encourage professionals to make the decision to leave a company and join a competitor.

PUSH FACTORS

The responses to this question are very interlinked. The order of key primary push factors has changed since our previous survey, with lack of challenge now listed as the top reason, replacing direction of business in 2016. The importance of basic salary has also increased, from the fifth most important push factor to the second, and in line with the growing demand for flexible/dynamic working, poor work-life balance has also increased in importance.

The link between the top three push factors is clear and where people feel their salary level does not compensate them for the lack of challenge, they naturally have poor job satisfaction. This may stem from people working in organisations that do not provide career or personal development, hitting career glass ceilings, or where the direction of the business and their impact on this is unclear.

Interestingly there is little difference in overall push factors between male and female respondents, and they equally identified lack of challenge and then basic salary as the top two reasons they would be likely to leave their current business.

These push factors provide useful insight as to why professionals are driven to leave their current organisation and are key areas for consideration when an organisation is struggling with low retention.

PULL FACTORS

Understanding the pull factors for executive leaders is crucial for organisations looking to hire. This information can be used to attract individuals from competitors or target organisations, and is very helpful in the hiring process. Quite often, a new employer may be able to offer the key benefits that professionals are not receiving at their current business, but are highly motivated by.

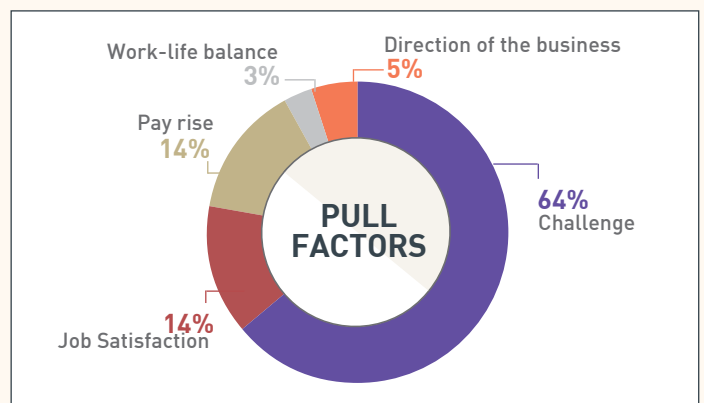
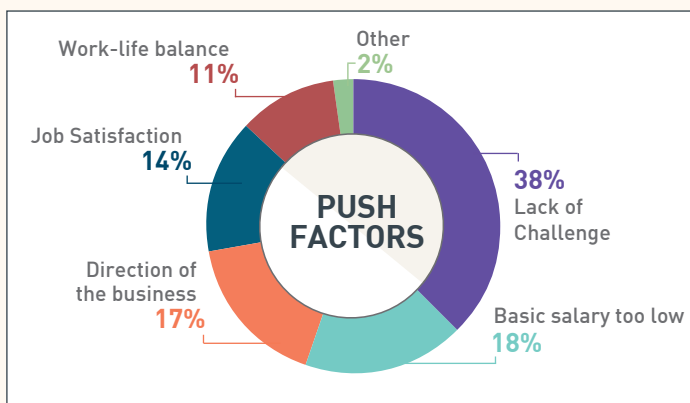
Unsurprisingly, the top three pull factors are in line with the top three push factors, although the importance of job satisfaction is placed slightly higher than a pay rise. The importance of work-life balance remains a high pull factor and is typically closely linked to respondents seeking a new challenge or higher job satisfaction. This pull factor remains high with improved remote working and increased flexible or agile working practices, and is seen as a benefit people are unwilling to trade when moving roles.

Interestingly, the importance of salary has risen since 2016 from, fifth to second. This may be an effect of increased pressure on disposable incomes, or that a tightening candidate market is generally raising salary expectations.

It is also important to note that the generational differences of respondents do appear to impact their ordering of pull factors. Generation Y, or Millennials appear to be more attracted by a positive work-life balance and an increased challenge. Generation X is more interested in the challenge, as well as the pay, and then a positive work-life balance. This may reflect the stage that the respondents are at in their life, for example, this group may be raising a family and therefore need to balance the challenge with the rewards and flexibility for financial and home life demands. In both cases, organisations should consider the importance placed on flexible working and work-life balance.

Baby Boomers remain attracted to the challenge and job satisfaction, or challenge and a pay rise. This may be the result of this group seeking personal satisfaction and recognition in their work, over maximising the financial rewards available as their home lives will typically allow greater flexibility in focusing on work with little need to balance work and home lives.

These generational traits cannot be prescriptive, but progressive organisations will be proactive in identifying opportunities to leverage this information, considering their culture and rewards available when hiring or working to retain leading talent.





RELOCATION VS THE WEEKLY COMMUTE

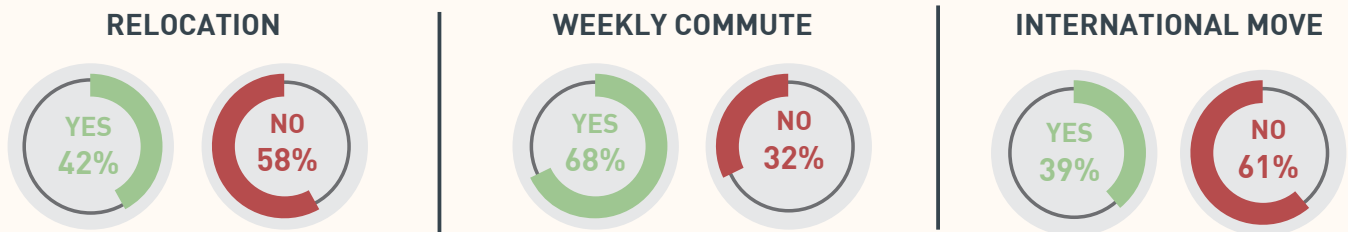
It is widely acknowledged that technology can enable effective remote working practices for many professionals and more organisations are comfortable with offering some form of flexibility. However, the majority of senior and board level positions require a high level of office presence to interact with key stakeholders and to directly lead teams. This will create new challenges for organisations as Millennials are now moving into senior leadership positions that are fundamentally more aligned with technology, remote working, and a positive work-life balance.

However, with many organisations requiring a high level of office presence, many candidates will need to consider relocating for a new position. Nearly 58% of respondents stated they

were not open to a relocation, while only 42% would consider a move within the UK, and 39% are open to an international move. Notably, 68% of respondents are comfortable with weekly commuting, although this is down from 72% in 2016. The advantage for candidates who are open to weekly commuting, is that they are able to pursue career opportunities without the need to relocate away from their support networks, including family and schooling etc.

Organisations need to consider the fact that, when hiring and even retaining people, if the focus is on identifying professionals who are able to work solely in an office without any flexibility, this can cut out a significant number of potentially suitable candidates.

RELOCATING FOR A JOB



CONCLUSION

KPMG's 2018 Global CEO Outlook for the UK, 'Leading from the centre', found that CEOs remain relatively confident in the UK economic outlook (65%) with slightly higher levels of confidence in the global economy (77%). The report also highlights that more UK CEOs are hiring new skills (61%) for the future, despite headwinds such as territorialism and disruptive technology.

As CEOs and their organisations remain confident, so too do candidates' sentiments towards finding a new role in the next 12 months. Professionals are also comfortable with the associated risks of moving employers. This means that candidates are more likely to react to their primary push factors by activating their job search and equally, will be more responsive to the pull factors of a new employer. This is because they have confidence in the market that another opportunity will become available.

With sustained confidence and a restricted candidate market, organisations must continually evaluate their employee branding and retention methods to retain the best people who deliver growth in a changing environment.

When an organisation needs to look externally for talent, it is important that they understand and evaluate their potential pull factors - this should go beyond the basic salary offering. They

may also need to challenge their hiring tactics to reflect the pull factors expressed across different generations and the impact that technology continues to have on the working environment. This may require a more open view to weekly commuters or adopting flexible/agile working practices to broaden the potential candidate pool.

Organisations that fail to respond to the changing push and pull factors will find themselves less competitive when attracting, retaining, and hiring high calibre people. This is especially true when compared to the more progressive businesses who constantly challenge their preconceptions of candidate attraction and retention.

For more information, or to explore how we can help source executive talent for your business, get in touch for a confidential discussion.

Mark Lawson-Jones

Associate Partner, Page Executive

T: +44 734 207 3140

E: MarkLawsonJones@pageexecutive.com