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Executive recruiting picks up as confidence returns

By WALLACE IMMEN
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Market is improving across the country, and across sectors, for managerial and C-suite positions

In the job market since January, John van Boxmeer learned first-hand how cautious Canadian employers had become about committing to hiring in a murky economy.

"I was getting a lot of meetings, and a couple of potential employers had real opportunities and jobs to discuss. But the conversations didn't lead to offers. It was just chit-chats to explore, and nothing tangible," said Mr. Van Boxmeer, who left Toronto-Dominion Bank a year ago after a 20-year career in financial analysis.

"Then, at the end of August, three organizations I had been in discussions with contacted me. Two of them had immediate jobs to offer. Where things had been slow for months, there was a sudden interest in having me on board," said Mr. Van Boxmeer, who this month took on a new post as senior vice-president of financial services for credit-rating company DBRS Ltd. in Toronto.

It's an indicator of a trend that will be welcome news for executives who have been thinking of a career shift but were hesitating because employers were dragging their heels on new hires, recruiters say.

Warren Lundy, partner with executive search firm Feldman-Daxon Partners Inc. in Toronto, said "it's as if someone turned on a light switch" as companies begin to hire after months of economic uncertainty.

"Since September the market for mid-level to C-level executives has picked up substantially over the same period a year ago," he said. "And there are definitely more companies asking for formal searches to be done since the summer, especially in the senior executive categories of director to C-suite levels."

One reason recruiting is picking up, Mr. Lundy said, is that many organizations had put off replacement of executives since the recession, which left them at risk of not being competitive in a recovery. Companies are also worried they could lose talent if they don't beef up thinly stretched executive teams.

A recent survey of recruiters and hiring managers by staffing service Right Management found that 59 per cent of Canadian and U.S. companies anticipate increased management turnover in the next five years.

"Unless current expectations are wrong, most employers are having to cope with more loss of talent and know-how," said Kevin Noronha, regional vice-president of Right Management in Vancouver.

The increased hiring activity is showing up in all industries and across Canada, according to the Bagg Group staffing service, which has seen a 25-per-cent increase in manager and director searches this fall compared with last year.

Once sector seeing significant growth is information technology. That's because companies are growing and are bringing previously outsourced work back in house, so leadership is required, said Joanne Boucher vice-president of

Bagg's IT division. "The Greater Toronto Area has become a recognized global centre for IT in many software and insurance companies," she noted, "resulting in a larger footprint of IT in their Toronto offices."

The Bagg Group has also seen double-digit increases in recruiting of other executive positions in recent months. "This is both because people feel confident enough ... with their personal finances to make a move, and corporations feel confident enough in the Canadian economy to hire more senior people," said Jackie Chua, vice-president of Bagg's permanent division.

"We are noticing that new senior positions are being created," she added. "That means corporations are investing in new senior talent."

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