

# Top Dogs Run Scared of Job Changes as Slowdown Snaps at their Heels

CXO hiring dips and vacant posts remain unfilled as execs prefer to play it safe

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**T**his April and May, executive search firm Stanton Chase made offers to two CXO-level candidates to fill vacancies at two different companies. The first was for a chief operating officer for a Mumbai-based pharmaceutical, real estate and defence company. The second was for a chief executive officer for a generics business belonging to a Delhi-based diversified company with interests in pharma and consumer products. Both candidates accepted the offers, only to back out at the last minute. The search continues.

"The candidates had stable careers with well-established brands and felt they did not want to take a chance...everyone is cautious now," says Ajay Singh Shekhawat,



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director at Stanton Chase, referring to the difficult economic environment. "CXOs feel they are better off where they are."

CXO hiring has dipped in this flail-

ing economy, but even top-level openings that do exist are not getting filled up easily.

Arjun Srivastava, head (consumer practice) at Egon Zehnder International, says people in leadership positions are very cautious and do not want to destabilise themselves in difficult times.

"The no-shows have increased," says Ronesh Puri, managing director of Executive Access. "It is because of higher risks owing to the market conditions and also because Indian laws do not impose any liability on candidates not meeting commitments," he adds. Many countries have tough laws that discourage candidates from backing out of a commitment to join.

The entire decision-making process is slowing down.

**Execs Mull Over Macro Factors ►► 3**



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►► From Page 1

Sangeeta Sabharwal, senior partner at Transearch India, says candidates are getting sharper in their due diligence before making a move. That is stretching the hiring process at both ends. "It is not just about designations and titles and compensation. Senior-level candidates are deliberating over macro factors like where is the market headed, what is likely to happen, etc," she says.

"Four to five months is the usual time period to fill CXO-level positions. Now, it is getting stretched to 7-8 months," says Srivastava.

Firms such as Egon Zehnder International, Stanton Chase and Executive Access also report a dip in hiring. "Top-level hiring has softened by 10% over the past few months compared to last year," says Egon Zehnder's Srivastava. He says companies that really need to hire are hiring, but they are not recruiting to add to the bench strength. Search firms say sectors such as financial services, IT, technology, consumer goods and telecom are finding it the hardest to fill corner room vacancies. "Financial services (sector) is severely hit, followed by telecom, which was in any case top-heavy," says Puri.

Richie Madan, vice-president at Elixir Consulting, explains: "Relationships with clients matter a lot in the banking sector...shifting clients from one company to another is difficult during an economic downturn."

Barring life sciences and natural resources, very few sectors are doing well, says Srivastava. "General manufacturing is fluctuating and sectors such as financial services, IT and technology, and consumer goods are hit hard. Companies are also hesitating to invest in hiring," he adds.