

Upswing in CXO hiring fuelled by demand for niche skills and for replacement

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CXO hiring is on the upswing, with the overall demand for C-suite executives expected to witness a 20-25 per cent spike in 2018 fuelled by growing demand for niche skill sets and replacement hires.

Interestingly, organisations are seeking younger talent with 45 years emerging as the sweet spot for CEOs, which is further capped at mid-late 30s in new-age economy firms, while there are no takers for 50 years and above.

Niche skills

BTI Executive Search, which delivers 65-70 CXO hires per annum at compensation packages upwards of ₹70 lakh-₹5 crore, for its customers, expects to see up to 60 per cent YoY growth in demand for

CXOs this year, driven by demand for niche skills sets.

“Robust demand for niche skills from the consumer product/services companies, global R&D captives and e-commerce firms for CXO roles such as Heads of Product Development, Engineering, R&D, Innovation; Chief Data/Digital Officer, Product Architects, among others will take our growth to 50-60 per cent this year,” James K Agrawal, MD, BTI Executive Search told BusinessLine.

Stating that the hiring environment was subdued until recently, when organisations were more focused on growing inside talent through succession planning, training, up-skilling and re-skilling, he said, in the last 6-12 months, there is renewed interest for critical roles from customers,

who are looking to take their companies to the next phase of growth.

Executive Access, that hires 100 CXOs a year for its clients expects to grow at over 25 per cent this year and Russell Reynolds Associates expects to grow its hiring number above industry levels this year.

While hiring continues to be muted in Telecom, Insurance and Manufacturing verticals, CXO hiring is buoyant in the NBFC (non-banking financial company) sector where around 200 CXOs will be hired, observed Kamal Karanth, co-founder of specialist staffing firm, Xpheno.

Replacement hiring

The upswing in CXO hiring across sectors can largely be attributed to replacement hiring, as organisations are very impatient with aver-

age and non-performers, and those with culture/mindset issues, unlike earlier, when they would be put on a performance improvement plan, counselled and provided with a support system, points out Ronesh Puri, MD, Executive Access. Even Karanth agreed that the IT, Pharma and FMCG sectors will at best, see replacement hiring this year.

All of the above mentioned executives observed that the average tenure of CEOs is down to two-three years from five to six years a few years ago; organisations are demanding younger blood at the top to take on new external and internal challenges, handle media and analyst glare and even take on social media-related issues. “The job of a CEO has never been more difficult” says Puri.