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Executive Market Sentiment
H1 2019 Survey

by Robert Ferry & Lacy Poole

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RFC Executive is delighted to publish the results of our Executive Market Sentiment – H1 2019 Survey.

Our aim is to provide insight into the expected impact on the number of leadership level staff employed and their salaries within Ireland for the first half of 2019. We also add to our many resources for leaders which include guides, news articles, surveys and research reports.

For more information please visit **www.rfc.ie** or contact me directly on **01 872 7008**.
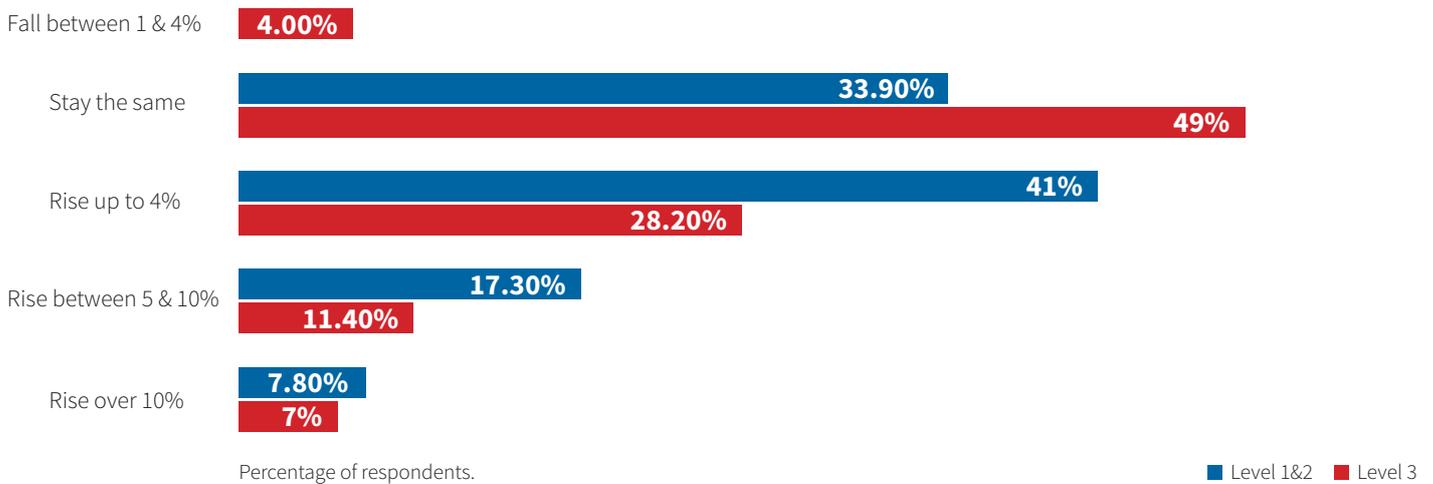
Robert Ferry
Partner

P.S. This survey was taken before the set up of our new Digital practice.
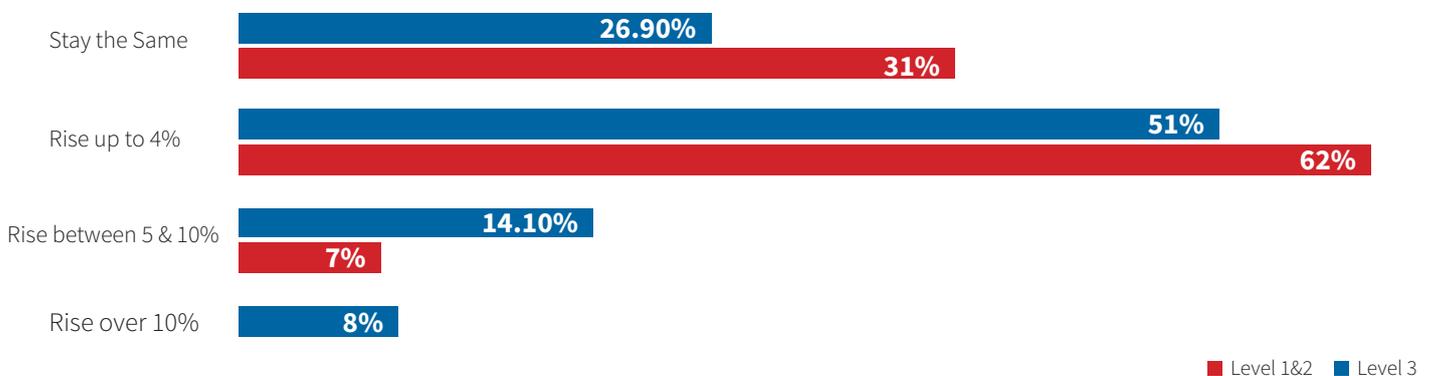
Executive Summary

Across all industries the results for market sentiment for H1 2019 are:

Direct Report Staff Numbers

Fall between 1 & 4%	**4.00%**
Stay the same	**33.90%** / **49%**
Rise up to 4%	**41%** / **28.20%**
Rise between 5 & 10%	**17.30%** / **11.40%**
Rise over 10%	**7.80%** / **7%**

Percentage of respondents.　　■ Level 1&2　■ Level 3

- ■ The research suggests there will be an overall increase in staff numbers across all industries in the first half of 2019.

- ■ A minority of 8% of Level 1 and 2 leaders expect their direct report staff numbers to increase by over 10 %, with similar numbers of level 3 leaders agreeing.

- ■ The percentage of leaders predicting a fall in staff numbers has decreased by 2% points, ie from 6% 2018 to 4% 2019. The percentage of Level 1&2 leaders predicting and increase of over 10% has also risen by almost 5% points compared to 3% H1 2018.

- -

Direct Report Staff Salary

Stay the Same	**26.90%** / **31%**
Rise up to 4%	**51%** / **62%**
Rise between 5 & 10%	**14.10%** / **7%**
Rise over 10%	**8%**

■ Level 1&2　■ Level 3

- ■ In relation to salary, 73% of level 1&2 leaders are expecting an increase in the salaries of their direct report staff. This is a more positive outlook compared to last year (69% in 2018).

- ■ There is effectively no fall in salary predicted for the first half of 2019. The majority of Level 3 leaders are expecting an increase in salaries of up to 4%, whilst 31% are expecting there to be no change.

Executive Summary

When comparing industries, the salient points derived were:

- The largest increase in staff numbers with 61% of leaders predicting an increase is in the Pharmaceutical/Medical Devices & Financial Services industries.

- The biggest increase in staff salaries with 89% of leaders predicting a rise is for the Pharmaceutical/Medical Devices industry.

- In the Construction industry those expecting an increase in staff numbers predicted for H1 2019 (60%) is 15% more than H1 2018 (45%).

- The Not for Profit sector has the lowest percentage of respondents predicting an increase in salaries at 12.5%, this is down 67.5% points when compared with H1 2018 (80%). The percentage of respondents in this industry who are expecting an increase in staff numbers has increased by 17.5% points to 37.5% compared with H1 2018 (20%).

- The public sector is the most pessimistic in relation to increasing staff numbers with only 25% of leaders expecting and increase.

- In relation to the consumer industry, the percentage of those predicting a rise in staff numbers has fallen by 13% to 37.5% compared to 50% H1 2018.

- The Industrial/Manufacturing industry is also expected to see a significant rise in salaries with 81% of leaders predicting an increase.

- 9% of leaders in the Technology sector are expecting a fall in staff numbers, this is down 6% points on H1 2018. However 56% of leaders in this industry are expecting their staff numbers to increase, this is up 26% points when compared with H1 2018.

- In the Healthcare industry there is no fall in staff numbers expected for H1 2019, this is significant as in H1 2018, 25% of respondents expected staff numbers to fall.

Industrial/Manufacturing Industry

Leaders Employed

5.5%	**48.5%**	**28.5%**	**11.4%**	**6%**
Fall 1 - 4%	No change	Rise 1 - 4%	Rise 5 - 10%	Rise 10% +
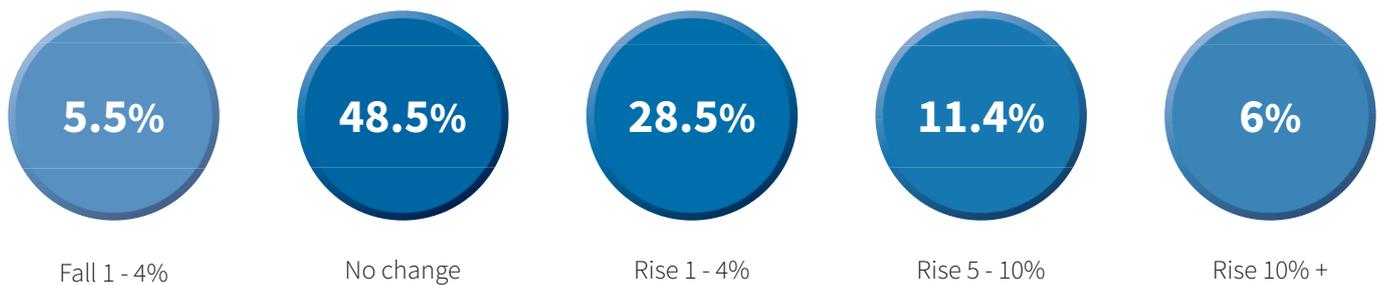
- For H1 2019, 46% of respondents expect staff numbers to grow.

- When compared to H1 2018 the rise in staff numbers is the same, however more leaders are expecting an increase of over 4% than in H1 2018. (ie 9% 2018 -17.5% 2019).

- The increase in staff numbers in this sector is similar to the overall consolidated figure.

Salary

19.1%	**71.4%**	**9.5%**
No change	Rise 1 - 4%	Rise 5 - 10%

- Similar to staff numbers overall staff salaries are also expected to grow in H1.

- When compared to H1 2018 more leaders are also expecting an increase in salaries (66% 2018 v 81% 2019).

- The percentage of leaders who expect an increase in salaries in this industry is one of the second highest overall.

Construction Industry

Leaders Employed

40%	46.6%	13.4%
No change	Rise 1 - 4%	Rise 5 - 10%
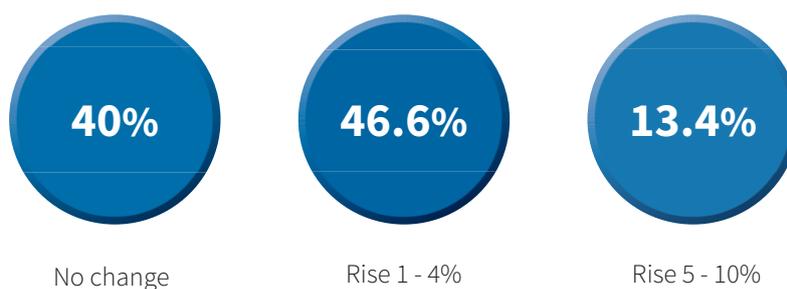
- The majority of leaders, 60%, are expecting an increase in staff numbers.

- The overall increase in staff numbers predicted for H1 2019 (60%) has increased by 15% (45% H1 2018).

- The percentage of respondents who expect an increase in staff numbers in this industry is the second highest overall.

Salary

20%	66.6%	13.3%
No change	Rise 1 - 4%	Rise 5 - 10%

- The majority of leaders in this industry are also expecting an increase in staff salaries.

- 80% of respondents are expecting staff salaries to increase in H1 2019 compared to 57% in H1 2018.

- The majority (80%) of leaders in this industry are predicting a rise of up to 4 % in staff salaries. This is in line with the overall consolidated figure.

- The percentage of leaders predicting an increase in salaries is the same as two of the other industries, Industrial/Manufacturing and Technology.

Pharmaceutical/Medical Devices

Leaders Employed

38.8%	44.4%	11.3%	5.5%
No change	Rise 1 - 4%	Rise 5 - 10%	Rise 10% +

- There is no fall in staff numbers predicted, this is down 10% when compared with H1 2018 where a 10% fall in staff numbers was predicted.

- 61% of leaders are expecting an increase in staff numbers.

- This sector, along with the technology sector, both have the highest percentage of leaders predicting an increase in staff numbers.

Salary

11.2%	83.3%	5.5%
No change	Rise 1 - 4%	Rise 5 - 10%

- The vast majority (89%) of leaders in this industry are expecting an increase in staff salaries.

- 30% of leaders who predicted no change in H1 2018 (ie, 40%), are now expecting salaries to increase for H1 2019 (11.2%).

- This sector has the highest percentage of leaders predicting and increase in salaries.

Healthcare Industry

Leaders Employed

61.5%	30.8%	7.6%
No change	Increase 1 - 4%	Increase 5 - 10%

- There is no fall in staff numbers expected for H1 2019. This insignificant as in H1 2018, 25% of respondents expected a drop in staff numbers.

- The majority of respondents (61.5%) are expecting staff numbers to remain unchanged.

- The percentage of respondents expecting an increase for H1 2019 has increased by 12% (ie, 25% H1 2018 v 38.5% in 2019).
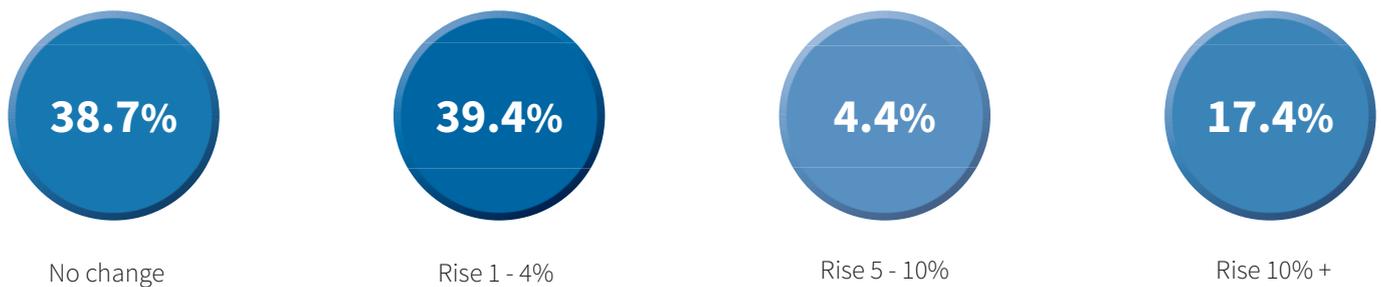
Salary

30.9%	61.5%	7.6%
No change	Rise 1 - 4%	Rise 5 - 10%

- The Majority (69%) of leaders are expecting a rise in staff salaries.

- The percentage of leaders predicting a rise has increased from 50% in H1 2018 to over 69% in H1 2019.

- The predicted increase in this industry mimics the predicted salary increase overall.

Financial Services

Leaders Employed

38.7%	**39.4%**	**4.4%**	**17.4%**
No change	Rise 1 - 4%	Rise 5 - 10%	Rise 10% +

- The majority (61%) of leaders predict an increase in staff numbers for H1 2019.

- Both the Financial Services and Pharmaceutical industries have the highest percentage (61%) of leaders expecting an increase in staff numbers.

Salary

34.8%	**56.5%**	**8.7%**
No change	Rise 1 - 4%	Rise 5 - 10%

- The percentage of leaders expecting an increase in staff salaries is up from 37% in H1 2018 to 65% H1 2019.

- There is no decrease in salaries predicted for H1 2019. Last year this figure was 7%.

Technology

Leaders Employed

9%	34.7%	17.3%	21.7%	17.3%
Fall 1 - 4%	No change	Rise 1 - 4%	Rise 5 - 10%	Rise 10% +

■ This sector, along with manufacturing are the only sectors in which a minority of respondents are expecting a fall.

■ However over 56% of leaders are expecting staff numbers to grow compared to 31% in H1 2018.

Salary

20%	60%	20%
No change	Rise 1 - 4%	Rise 5 - 10%

■ The majority (80%) of leaders are expecting an increase in staff salaries for H1 2019.

■ This sector has one of the highest percentages of respondents predicting an increase.

■ The percentage of leaders expecting a rise in staff salaries has increase by almost 20% since H1 2018 (61%).
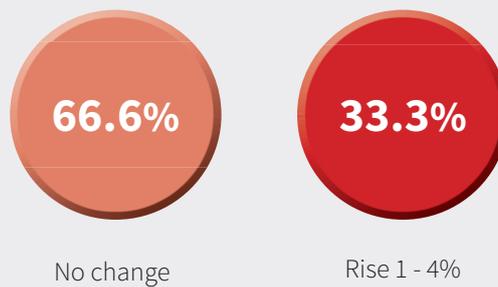
Consumer

Leaders Employed

62.5%

25%

12.5%

No change

Rise 1 - 4%

Rise 5 - 10%
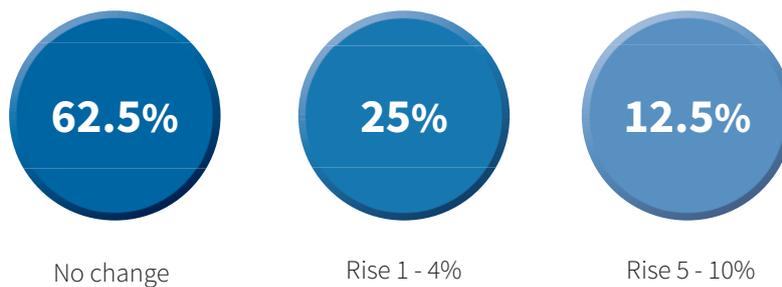
- The percentage of those predicting a rise in staff numbers has fallen by 13% when compared with H1 2018 (50%).

- This sector has the second lowest percentage of leaders predicting an increase in staff numbers (37.5%). This could possibly be a result of the impact of Brexit
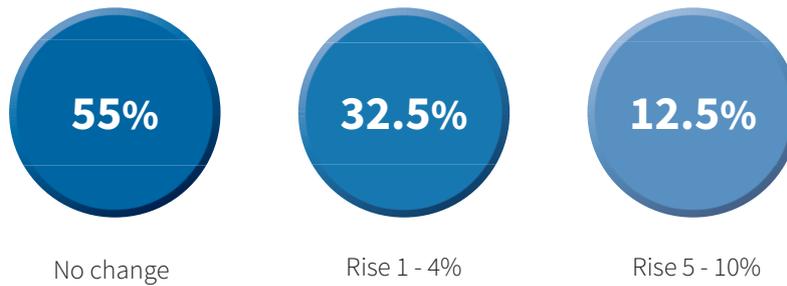
Salary

66.6%

33.3%

No change

Rise 1 - 4%

- The majority of leaders in this industry are expecting there to be no change in staff salaries.

- What is significant is that the percentage of respondents predicting an increase in salaries has fallen down from 62.5% H1 2018 to 33.3%.

- This is the second lowest increase prediction across all industries.

Business Services

Leaders Employed

55%	32.5%	12.5%
No change	Rise 1 - 4%	Rise 5 - 10%

- The majority (55%) of leaders in this sector are expecting staff numbers to stay the same.

- The percentage of leaders expecting an increase in staff numbers has increased by 2% points when compared to H1 2018.
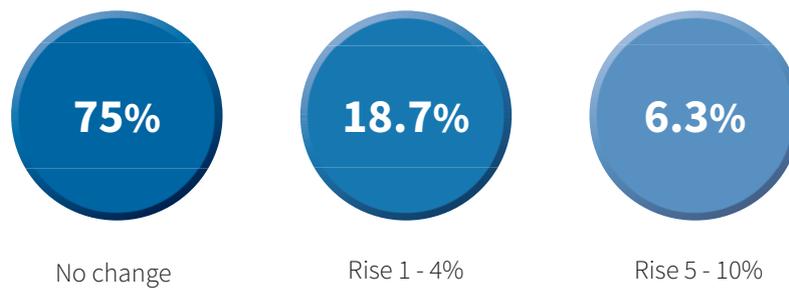
Salary

45.5%	45.5%	9%
No change	Rise 1 - 4%	Rise 5 - 10%

- The vast majority of respondents in this sector are expecting staff salaries to either remain unchanged or increase.

- The percentage of leaders expecting staff salaries to increase has fallen by almost 20% points since H1 of 2018.

Public Service/Semi-State

Leaders Employed

75%	18.7%	6.3%
No change	Rise 1 - 4%	Rise 5 - 10%

- This sector has the lowest percentage of respondents predicting an increase in staff numbers (25%).

- This sector also has the highest percentage of leaders expecting no change in staff numbers (75%).

- The percentage of leaders (25%) expecting there to be an increase in staff numbers has increased by 2% points when compared with H1 2018 (23%).
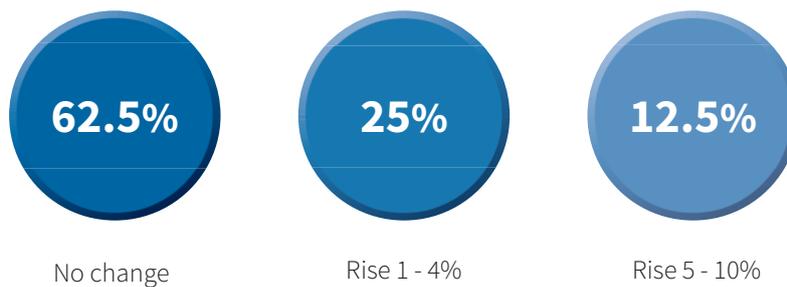
Salary

56.2%	37.6%	6.2%
No change	Rise 1 - 4%	Rise 5 - 10%

- The majority of all leaders are expecting staff salaries to remain the same for H1 2019.

- The percentage of leaders expecting staff salaries to increase has fallen by 23% points when compared to H1 2018 (66.6%).

- The number of respondents who expect salaries to remain the same has increased by over 23% points when compared to the previous year (33.3%)..

Not for Profit

Leaders Employed

62.5%	25%	12.5%
No change	Rise 1 - 4%	Rise 5 - 10%

- The sector has the second highest percentage (62.5%) of leaders who expect no change in staff numbers.

- The percentage of respondents who are expecting an increase in staff numbers has increased by 17.5% points when compared with H1 2018 (20%).

Salary

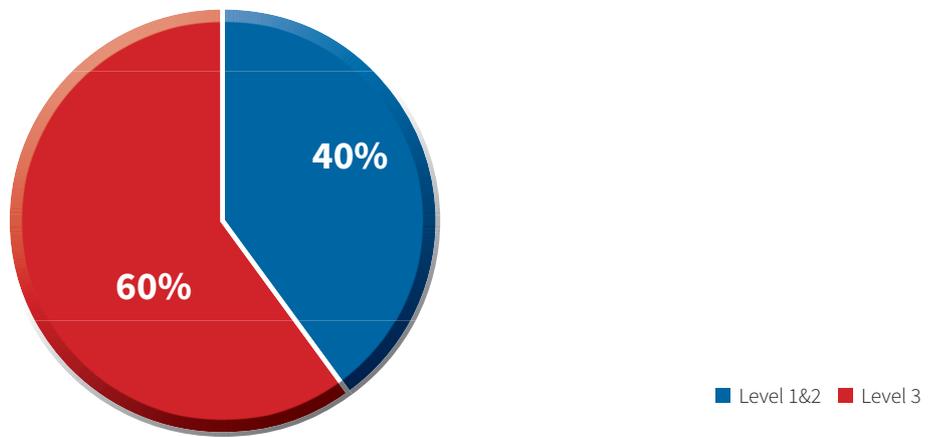| 87.5%	12.5%
No change	Rise 1 - 4%

- The majority of respondents in this sector are expecting no change in staff salaries, this is up 55% points on H1 2018 (20%).

- This sector has the highest percentage of leaders predicting no change in staff salaries across all industries (87.5%)

- This sector also has the lowest percentage of respondents predicting an increase in salaries, this is down over 67% points compared with H1 2018 (80%).
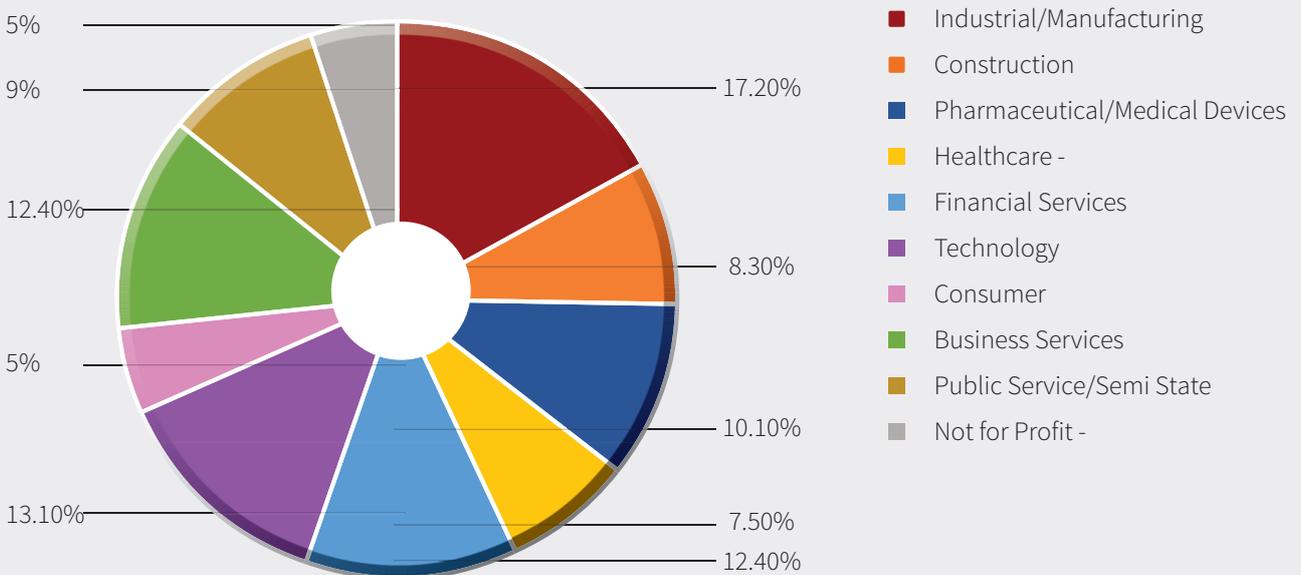
Source and Presentation of Data

The survey was sent to over 3000 leaders of which 419 were completed. Leaders were broken into three levels:

- ■ **Level 1** Chairperson, Board Director.

- ■ **Level 2** CEO, General Manager with P&L responsibility.

- ■ **Level 3** Head of Function, Divisional Manager.

Respondents by Level

40%

60%

■ Level 1&2 ■ Level 3

Respondents by Industry

5%

9%

12.40%

5%

13.10%

17.20%

8.30%

10.10%

7.50%

12.40%

- ■ Industrial/Manufacturing
- ■ Construction
- ■ Pharmaceutical/Medical Devices
- ■ Healthcare -
- ■ Financial Services
- ■ Technology
- ■ Consumer
- ■ Business Services
- ■ Public Service/Semi State
- ■ Not for Profit -

Additional Resources - Guides & Surveys

How do middle to senior level executives make a career move?

www.rfc.ie/wp-content/uploads/2014/09/rfcsurvey9-141.pdf

Guide to Talent Acquisition

www.rfc.ie/wp-content/uploads/2016/10/Guide-Talent-Acquisition-_1_.pdf

Guide to Retention & Engagement

www.rfc.ie/wp-content/uploads/2016/10/Guide-Retention-and-Engagement-_1_.pdf

Guide to Succession Planning

http://www.rfc.ie/succession-planning/

What makes a good leader?

http://www.rfc.ie/what-makes-a-good-leader/

Reduce staff turnover by putting time into onboarding

http://www.rfc.ie/reduce-staff-turnover-by-putting-the-time-into-onboarding/

Robert Ferry Profile

Robert has over 20 years' experience in the executive search and leadership development acting as a trusted advisor to a wide range of Irish and multinational clients. He holds a B.A. in HR and an MSc. In Leadership Coaching.

Many organisations use his expertise when they need to find or develop leaders for their organisations. He has the depth of experience to understand how to identify, attract, select and develop leaders with the requisite skills, motivational and cultural fit to deliver.

Current role

Robert is the founding director of RFC Executive which was established in 1998. He is responsible for leading the team in delivering recruitment and development solutions for middle to senior level executives through to board directors. He represents the firm as the Irish branch of CFR Global Executive Search and leads the global industrial and engineering practice.

Earlier Career

He began his career in NCB Stockbrokers as a private client advisor. He then moved to join a leading specialist firm, Professional Placement Group, as a recruitment consultant covering accounting and financial services professionals. He progressed to director level leading the technical team which specialised in engineering and supply chain supply chain professionals and managers, a role he held for over six years until 1998.

RFC Executive is an independent Irish firm that, for over 20 years, delivers search, selection and leadership development solutions within Ireland and in 60 countries internationally through its partnership with CFR Global Executive Search.

Our expertise extends to:

MANAGEMENT & EXECUTIVE

Financial Services | Industrial | Technology | Not for profit
Healthcare | Business Services | Consumer | Public service & Semi State

SENIOR PROFESSIONAL & TECHNICAL

Engineering | Human Resources | Supply Chain

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