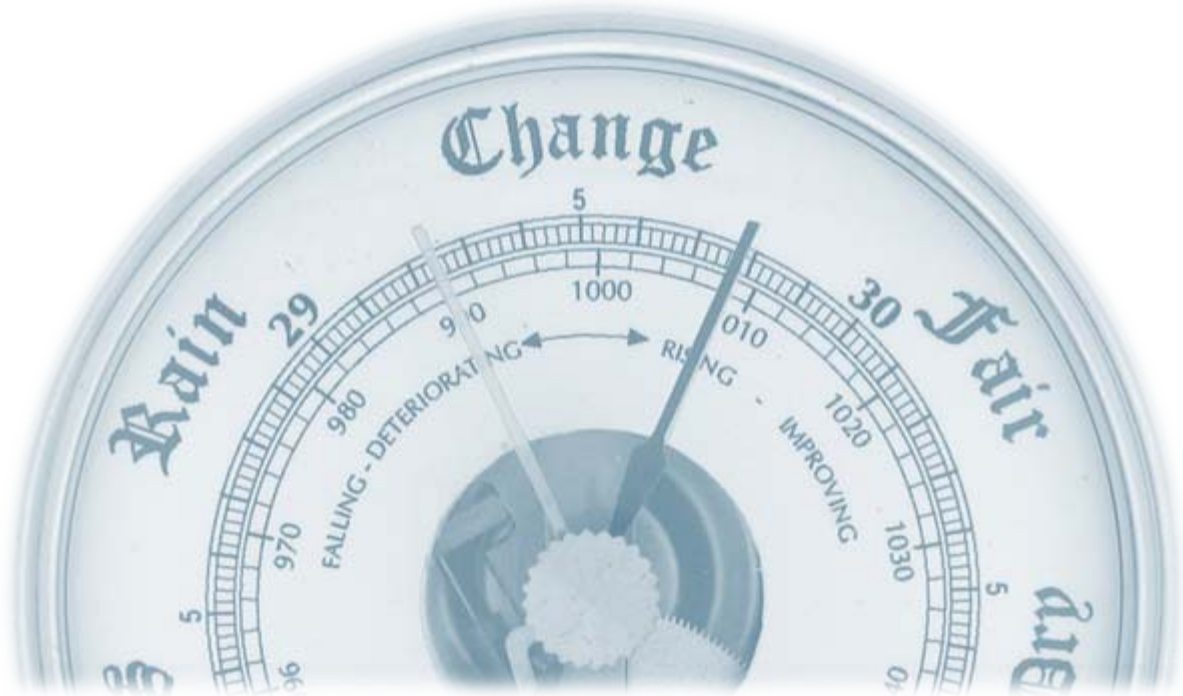


STANTON CHASE

I N T E R N A T I O N A L

Executive Search Consultants



Manager Barometer 2011

A survey gauging the current mood of Austria's top executives

March 2011



Austria's top executives and the economic upturn

The latest Stanton Chase Manager Barometer for Austria

Survey of 1,500 decision makers: positive expectations for 2011 yet lack of confidence in the sustainability of the economic upturn
Wake-up call for companies: very high willingness among executives to change jobs

Contents

- I. Executive summary
- II. Current situation and expectations for the future
- III. Career drivers
- IV. Willingness to change jobs
- V. Stanton Chase International



I. Executive Summary

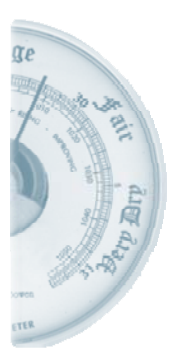
Stanton Chase International is one of the world's leading executive search companies with over 70 offices and more than 350 specialised consultants around the globe. In order to be able to provide its customers with a more accurate picture of the current mood in specific markets and countries, Stanton Chase regularly conducts extensive opinion polls among top managers in various key countries. The aim of these surveys is the close monitoring and analysis of national and international trends and developments. One such survey was carried out in December 2010 and January 2011 in Austria. 1,500 top managers took part in the survey. The results correlate closely with the insights gained by Stanton Chase executive search specialists in their day to day contacts with the country's leading executives.

The Stanton Chase Manager Barometer included 23 multiple choice questions in three different categories. Respondents were asked to give their opinions on general economic developments, personal career issues and their willingness to make a career move. The group of respondents was also representative of the key private industry sectors - consumer goods, technology, industry, financial services, life sciences and healthcare (including the public sector).

The key results

The three most important findings of the survey are:

- 1. Caution despite the upturn:** Austria's top executives signalled high expectations for the current fiscal year. Over 80 per cent of the managers surveyed were confident of successful performance in the coming months. This optimism was however tempered by caution. Only half of the 1,500 decision makers participating in the survey regard the economic upturn as sustainable.
- 2. High level of willingness to move jobs:** a high percentage of the managers surveyed expressed willingness to change jobs. When asked about their level of interest in considering a new career opportunity, 82 per cent said it was high to very high. We can thus conclude that the actual willingness to change jobs is high. Yet the decisive motivating factor for moving to another company is not the wish for a higher salary, but the desire for greater job satisfaction. "Austria's companies need to brace themselves," says headhunter Franz Rois, Partner at Stanton Chase. "Current job satisfaction levels among top managers are not particularly high." The survey results indicate a particularly high level of willingness to change jobs among managers in the consumer goods sector, where just under 90 per cent are "very interested" or "interested" in a change of employer. On average, half of all respondents noted that their willingness to change jobs had actually grown in the previous months.
- 3. High level of willingness to move abroad:** Austria's top executives are more willing to move abroad (66 per cent) for a new job than to relocate within Austria (63 per cent). Over half the respondents would be interested in taking up a position in Asia, USA or Russia.

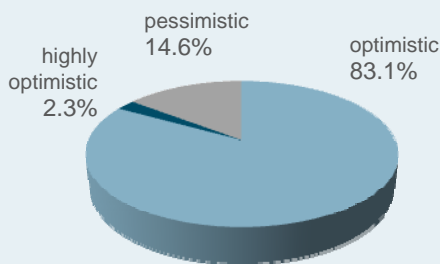


II. Current situation and future expectations

A positive financial year

On average, respondents take a highly positive view of the overall economic situation for the current financial year. In answer to the question, "How optimistic are you with regard to economic recovery in Austria over the next 12 months?", 83.1 per cent of respondents were "optimistic" and 2.3 per cent were "highly optimistic". Only 14.6 per cent had a more negative view regarding the immediate future.

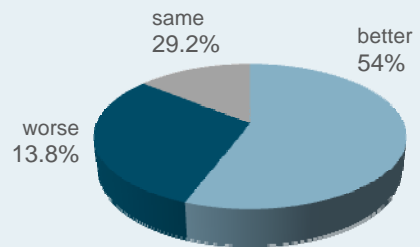
Economic recovery 2011



Minor differences were observed in the way the different professional groups assess the situation. The most positive view was taken by top executives in the life sciences/healthcare sector, where 90.5 per cent of respondents anticipated a positive upward trend in the coming months and only 9.5 per cent were less optimistic. At the other end of the scale were managers in the technology sector. Here, 83.8 per cent rated the situation in the near future as positive, while 16.1 per cent said they were less optimistic. Results from other sectors fell between the two: consumer goods (87.5 per cent optimistic/highly optimistic), industry (86.5 per cent) and financial services (85.8 per cent). These opinions are also reflected in the employment situation in companies in these sectors. However, the survey results also show

that 54 per cent of respondents consider the situation to have improved in comparison to 2009.

Mood in companies compared to 2009

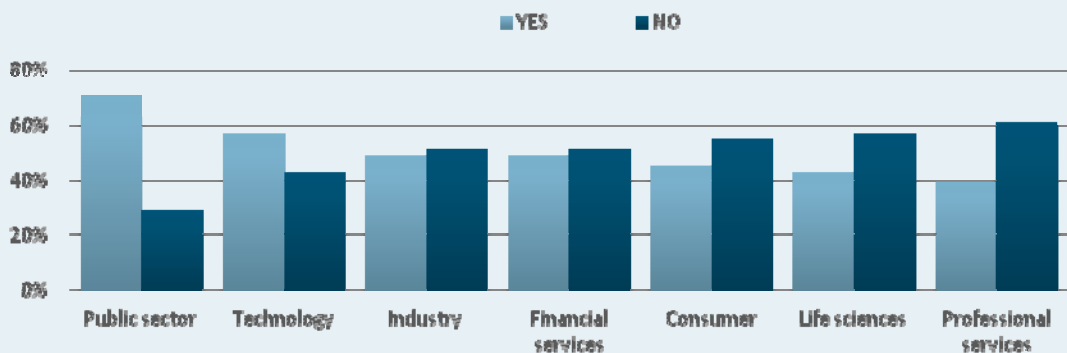


Lack of confidence in stability of economic upturn

In contrast to the clearly positive expectations for the near future, respondents were more cautious with regard to the longer term prospects. In response to the question "Do you think the economic upturn is sustainable?", 50.8 per cent said "yes", while 49.2 per cent said "no". Again, it was top executives in the life sciences sector who were most optimistic. 57 per cent of executives in this sector take a positive view of the longer term situation. Managers in the technology sector envisage a more negative trend, with 56.5 per cent answering this question with "no".

Also of interest here is one detailed result: clear differences emerged in the results for the private and public sectors: 71.4 per cent of respondents in the public sector shared the opinion that the economic upturn is not sustainable. This is particularly interesting given that 71.4 per cent of them also claimed to take a positive view of the next 12 months.

Sustainability of economic upturn





III. Career drivers

Job satisfaction: new challenges more important than benefits

What factors are regarded by top managers as being key to job satisfaction? According to news reports regarding the economic crisis, the answer is quite simple: salary and benefits. Yet the Stanton Chase Manager Barometer showed rather a different picture, with intangible factors taking precedence over their material counterparts. The overwhelming majority (84.5 per cent) of our top executives considered the "challenge" and the "opportunity for personal growth" in a job as "very important" factors for job satisfaction.

In comparison, only 32 per cent of those surveyed ranked "promotion opportunities" as "very important" (with respondents from the financial services sector leading the field here at with 45.7 per cent). Again, only just under 29 per cent (28.6 per cent to be precise) rank the "salary and benefits package" as "very important".

Second place among the "very important" factors for job satisfaction came freedom to make "autonomous decisions" (66 per cent). This was followed by "corporate culture" with 62.5 per cent and being given "management responsibility" by the company, which was considered to be "very important" by 60.8 per cent of respondents.

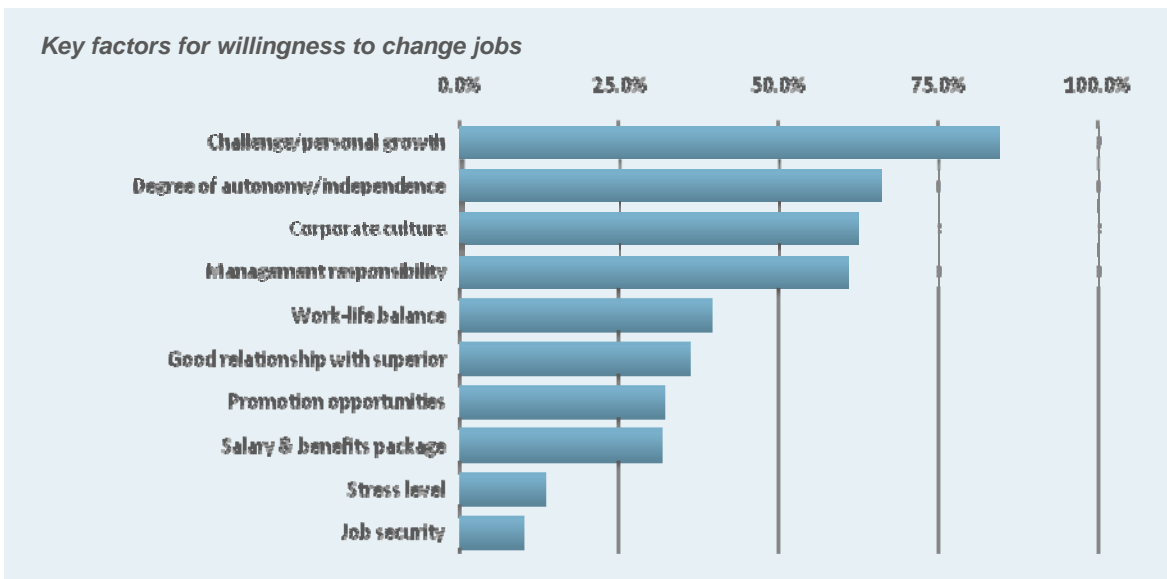
Stress is a minor factor

Stress appears to play only a very minor role in the satisfaction stakes, possibly because most top executives have already learned how to deal with it. Only just over 13 per cent (13.4 per cent) of respondents said stress played a "very important role".

Younger top executives also clearly attach a high value to establishing a balance between their professional and their private lives: 46.4 per cent of respondents in the 30-39 age group consider "work-life balance" to be a very important factor in job satisfaction. Only 38.8 per cent of respondents aged 60 and over rated this factor so highly. In sector terms, respondents from the industry sector rated this factor highest; 63.5% of top executives in this sector believe that work-life balance is very important.

Job security no longer counts

Over the last few years, greater diversity and changeability have become common characteristics of executive careers in Austria. This is reflected in the opinion of the 29.6 per cent of respondents who no longer attach any significant importance to job security. This figure was even higher for executives in the financial services sector, at 42.9 per cent. This trend is particularly strong among younger executives: 45.4 per cent of respondents aged 30-39 regard job security as unimportant. One reason for this may lie in the fact that younger people are often more flexible because they are not tied to a specific location by family commitments. Another reason could be that top executives like to think of themselves as being flexible and adaptable and are confident of being able to quickly find a new position. The fact that this result is particularly high for the financial services sector may be a reflection of the constant high demand for financial experts, which makes it relatively easy for executives in this sector to find new jobs quickly.





Reaching career goals: networking instead of training

More surprising results emerged from a question regarding attitudes to the methods used to gain access to top positions in Austrian companies. Survey participants were asked to select the factors which they consider to be essential to reaching career goals. 70.4 per cent said that they set store by widening their "network". Next by some distance came "training courses to develop professional and personal skills" at 50.5 per cent, closely followed by "more self-marketing" with just under 48 per cent. The latter appears to be particularly important for top executives in the public services sector, where 71.4 per cent of respondents identified self-marketing as the most important factor.

In response to the question on how survey participants go about identifying career opportunities, the clear majority (76.6 per cent) selected "networking" as their main approach. In second place, however, came "executive search consultant" with 57.7 per cent, well ahead of other methods (such as job listings). Executive search services are very popular with top executives, particularly in the consumer goods sector, where 65 per cent of respondents made use of this option.

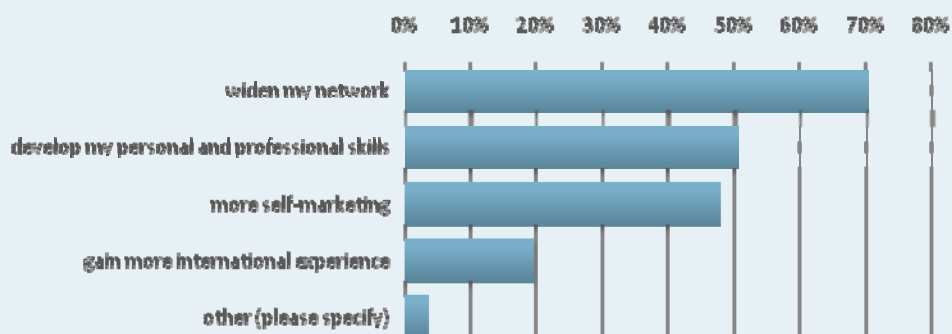
An interesting age-related trend emerged here: the older the executives, the less use they make of job listings and the greater the importance of executive search services. For younger executives, however, personal networks remain the most popular source of information on new career opportunities.

Best career opportunities in the technology sector

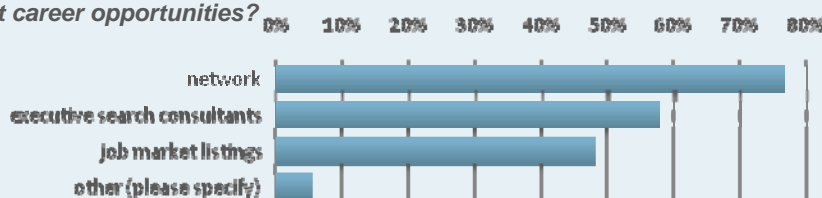
Although top executives in the technology sector are themselves rather cautious with respect to future expectations, this sector is clearly regarded by top managers in other sectors as one of the most promising fields. In response to the question as to which sector of business offers the best career opportunities for top executives, an average of 69.1 per cent of respondents shared the opinion that the best opportunities lay in the technology sector. Respondents from all sectors gave precedence to the technology sector, with the exception of life sciences executives, who saw the greatest potential in their own sector.

The survey results revealed clear differences in attitude between the younger and older generations. While the majority of 30-39-year-olds (63.9 per cent) and 40-49-year-olds (70.5 per cent) felt the best career opportunities lay in the technology sector, 71.8 per cent of respondents in the 50-59 age group considered these to lie in the life sciences.

What do I do to reach my career goals?

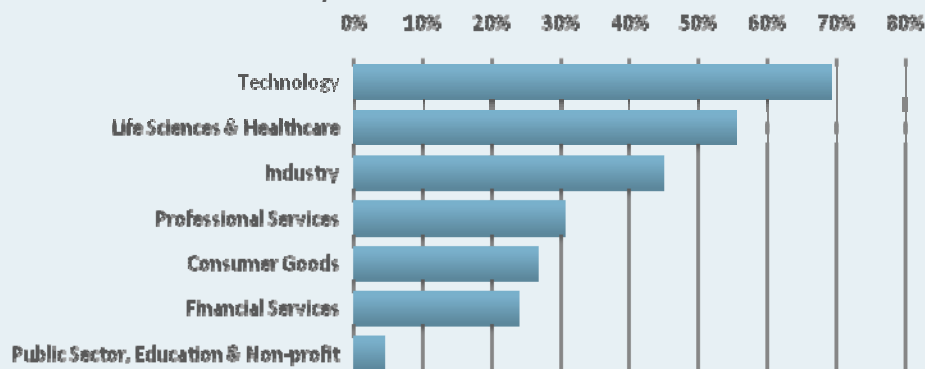


How do I find out about career opportunities?





Business sectors with the best chances of promotion



Austria's managers see the greatest need for additional top executives in their own and other companies in a sales (61.8 per cent) and a general management capacity (50.8 per cent). A further point revealed by the survey is that only 25.6 per cent of executives consider there to be an increased demand for top managers in the IT sector.

What companies look for: efficiency & creativity

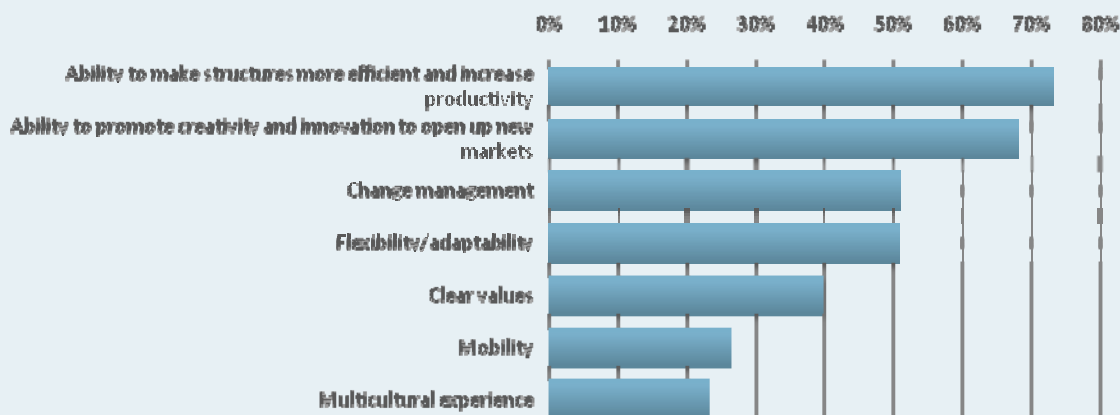
In order to determine levels of satisfaction among Austria's leading executives, it was also useful to find out how they assess their companies' requirements. What qualities do companies require of a top manager? Again, the findings were clear: efficiency and creativity are the definite winners when it comes to defining the qualities which are most sought after by Austria's companies in their search for top staff (at least in the opinion of top executives themselves). On average across all sectors, 73.1 per cent of respondents regard the ability "to make structures more efficient and increase productivity" as very

important. An average of 68.1 per cent of respondents also view ability to "promote creativity and innovation to open up new markets" as very important. In third place came workforce "mobility", which 62.5 per cent of survey participants rated important (closely followed by "multicultural experience" with 61.2 per cent).

However, some discrepancies do emerge when it comes to the aspect of "clear values". While 85.6 per cent of executives hold the opinion that having clear values is an important factor, 42.9 per cent of public services respondents consider this to be unimportant. Analysed by age group, results show that "only" 79.4 per cent of 30-39-year-olds see this as an important quality, while this figure is higher for 40-to-49-year-olds (87.1 per cent). 97.3 per cent of respondents in the 50-59 age group consider clear values to be of even greater importance.

At only 50.7 per cent, the level of importance attached to "flexibility and adaptability" was unexpectedly low. This is quite surprising given that flexibility is a quality asked for in almost every job advertisement, and it could have been assumed that it would be rated more highly than the other factors mentioned.

The most sought-after qualities in a top manager





IV. Willingness to change jobs

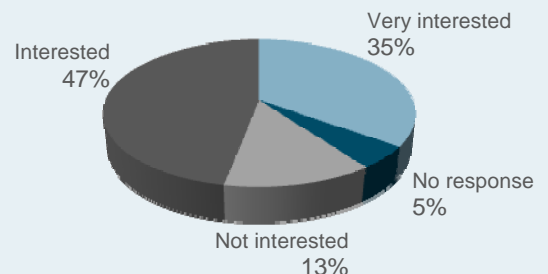
During the economic crisis, promotion and career progression were not a key priority in some sectors. The global recession left many executives worried about their jobs and about their employer's prospects in general. These misgivings were of course particularly evident in the financial services sector. So with the crisis seemingly over at least for now, how are Austria's business elite reacting to the changed circumstances? The most important conclusion from the results of the Stanton Chase survey in this regard is that – along with a more optimistic mood on the markets and in business (see Section II – A positive financial year) – there is now a greater willingness on the part of top managers to change jobs. This willingness is however dependant on a number of factors, which also allow conclusions to be drawn on the underlying causes. It would seem that employers have failed to pay sufficient attention in the past to the well-being of their top executives. Indeed, this would appear to be the only valid explanation for the following survey results.

81 per cent interested in new career opportunities

Interest in a new career opportunity is very high. 81.8 per cent of all respondents say they are interested and 34.8 per cent even described themselves as "very interested" in new openings. Managers in the 40–49 age group expressed the strongest interest in a career move, with 86.6 per cent stating they were "interested" or "very interested" in such an option. In the evaluation of results by sector, executives in the public sector are most willing to change: 57.1 per cent of this group described themselves as "very interested" in a new career opportunity.

In recent months, the level of willingness to change has grown. This was confirmed by some 43 per cent of survey participants. Somewhat surprisingly, the result for respondents from the public sector was again high here, with 71.4 per cent stating their interest has grown. Career mobility, on the other hand, dropped by around 9.4 per cent.

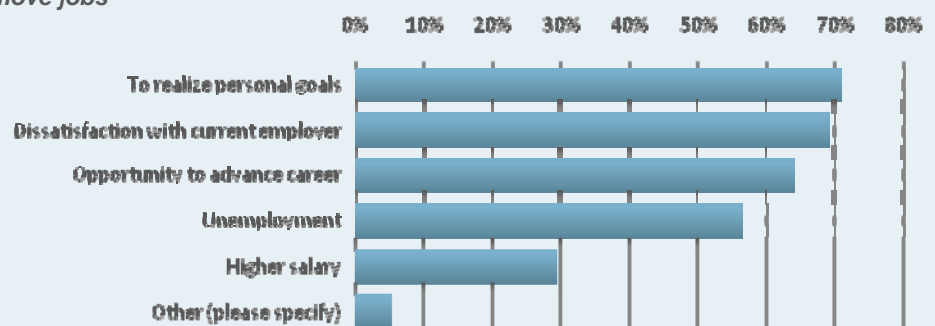
New career opportunities (question 13)



Motivation: personal goals and dissatisfaction with employer

The motivation to change jobs does not however result solely from the fact that the economy has picked up. It is also linked to a general feeling of dissatisfaction amongst top executives with their current situation. That's why respondents are more likely to risk changing jobs, particularly if they see an opportunity to "realise personal goals" or are "dissatisfied" with their current employer. The former was named as a main motivating factor by 70.7 per cent of survey participants, with 69 per cent also listing "dissatisfaction with current employer" as a key reason for changing jobs. Participants were also asked whether a higher salary would be a possible motivation to move on. As was the case for "Job Satisfaction" (see page 6), money does not appear to be as important a motivating factor as it is generally assumed to be. Only 29.3 per cent of survey participants said they would move to another company as a result of the "opportunity to earn a higher salary". In terms of age, executives up to the age of 39 were more likely to make a career move for this reason (40.2 per cent).

Motivation to move jobs





Interestingly, a further detailed result that emerged from the survey reveals something about the attitude of public sector managers: while 85.7 per cent cite dissatisfaction as a motivating factor for changing jobs, only 57.1 per cent of respondents in this group rate achieving personal goals as the most important factor behind a career move.

The main barriers: competition and relocation

Equally important as the desire to change jobs, however, are the reasons that prevent people from actually daring to do so. The survey participants were asked to choose from eight possible barriers to a career move (multiple answers could be given). The strongest argument by far against a career move was relocation, which was named by around 36 per cent of respondents. In second place (with 35.9 per cent) was the assumption that there were "too many executives already on the market". 23 per cent of respondents also cited competence issues as a barrier to moving to a different sector.

Again, of all the sectors, the result for the public sector stands out: 42.9 per cent of respondents in this group described being confronted with a "different management style combined with new skills, competences, cultures and ways of working" as the main barrier to a career move.

When asked to choose from a list of key factors that would affect their "decision to move to a new

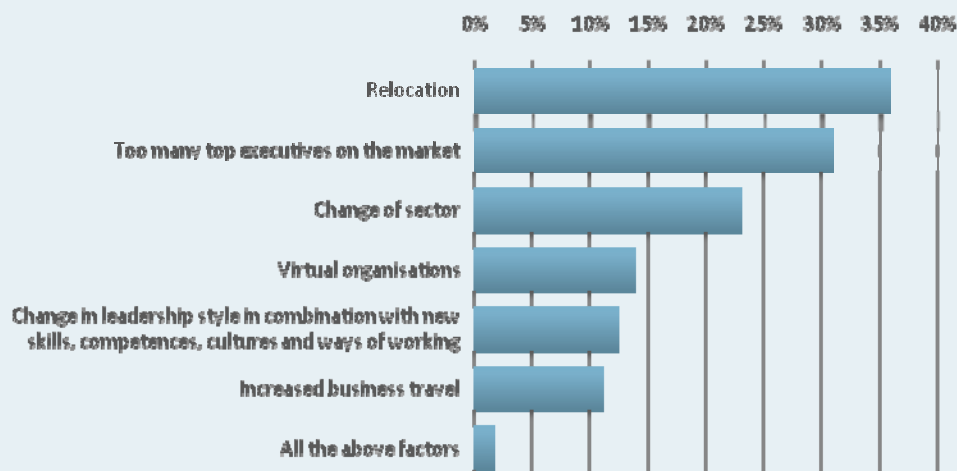
company", 45.6 per cent of respondents across all sectors listed "more responsibility", while over 54 per cent named having "a more important role within the company" as the most important factor. These are also the factors identified as playing a major role in "job satisfaction".

The responses to this question also show that those executives who actually named "problems with moving job" generally consider these problems to lie on the employer side. It would seem they do not consider the main barriers to changing jobs to be of particular relevance to their own decision to take up a new position. Top managers do not even regard an "international relocation" as a factor that weighs either in favour of or against a new position: 65.8 per cent of respondents view this factor as "unimportant", while 83 per cent also do not regard a "move to a different sector" as a barrier.

A mobile management elite: international relocation preferred

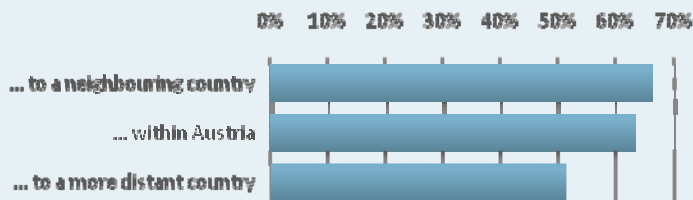
Austria's executives are becoming increasingly mobile – both nationally as well as internationally. About two thirds would be prepared to relocate within Austria to take up a new position or to make a career move. Similarly, 63.4 per cent confirmed that they would be open to relocation.

Barriers to changing job





Willingness to relocate



As far as results from specific sectors are concerned, executives in the industry sector showed a high level of willingness to relocate within Austria (74.3 per cent). Only in the life sciences sector did the majority (52.4 per cent) of respondents say that they would not consider such a move.

The most common response to the question regarding willingness to take up a new position in a neighbouring country was clear: 66.2 per cent of all respondents said that they would consider such a move.

However, when it comes to moving further afield, e.g. to the USA, the Middle East, Asia or Russia, the ratio of respondents who would be open to such a move is roughly equal to those who would not consider doing so. Interestingly, the share of respondents from the public sector who say they would be willing to move abroad is considerably higher than the other sectors at 71.4 per cent.

Relocation preferences & age group

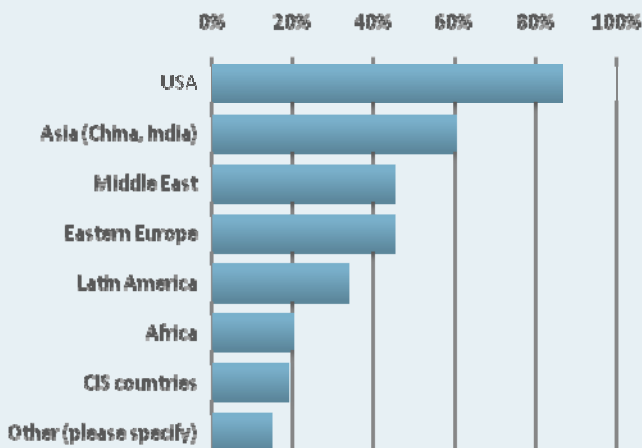
Willingness to relocate naturally declines with age. Almost 72 per cent of 50-year-olds are however willing to move within Austria. By comparison, only 60 per

cent of respondents aged 39 and under express a preference for relocating within Austria. However, this relationship changes when it comes to the option of relocating to a neighbouring country: only 61 per cent of over 50s would be open to such a move as opposed to 71 per cent of respondents aged 39 and under. The difference is even more dramatic with regard to willingness to take up a new position further afield. Only 36 per cent of top executives aged 50 and over would be considering relocating to a country that was further away, compared with almost 62 per cent of their compatriots aged 39 and under.

USA remains the most popular choice

When it comes to considering a career move to a country further afield or a different continent, executives tend to prefer the "classic" choices. Most respondents (86.8 per cent) noted that their strongest preference would be for a move to the USA, followed by Asia (China, India) with 60.4 per cent and the Middle East with 45 per cent. Only 20.1 per cent would consider working in Africa. Even fewer (18.8 per cent) would be prepared to move to a job in a CIS country.

Preferred international locations





V. Stanton Chase International

Established in 1990, Stanton Chase International is one of the world's leading global executive search companies with more than 70 offices in 42 countries.

Stanton Chase International has a strong market presence in the "emerging markets", in Austria and in Central Eastern and South Eastern Europe, where it is one of the five leading companies in its field.

Since it opened, Stanton Chase Vienna has served as a link between the markets in Western, Central, Eastern and South-eastern Europe. Together, the five partners in the Vienna team have over 50 years of executive search experience.

All company partners have a clearly defined Practice Group focus and extensive local and multinational experience and expertise. They serve international clients as well as strong local and national players.

In 2010, the Vienna office received the Stanton Chase "Office of the Year" award.

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