

Press release
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What's keeping New Zealand business leaders awake at night? **Volatile markets, technological change, and talent gaps the big concerns for year ahead**

New Zealand, 15 January, 2020 – Overcoming challenges is a crucial part of any C-suite role but these challenges can often seem like shifting goalposts at times of economic uncertainty, and technological and cultural change. Looking to the year ahead, independent research by specialist recruiter [Robert Half](#) shows that New Zealand business leaders will be facing a broad spectrum of concerns in their role framed by global macro-economic tensions, evolving challenges attached to digital transformation, and a deepening talent-shortage.

1. Geopolitical and economic challenges framing business confidence

While the New Zealand economy is generally strong, domestic economic conditions are forecast to slow over the coming 5 years¹. This is driven by deteriorating global financial conditions and uncertain trade policies underpinned by the US-China trade war and impact of Brexit. This has seen New Zealand business leaders take a cautious and wary view of their global growth outlook as major international trading partners navigate their own tightening economic outlook for 2020². These concerns are exacerbated by subdued domestic forecasts, with GDP growth stagnating alongside falling consumer confidence and expenditure³.

Indeed, 48% of New Zealand business leaders consider economic uncertainty to be one of the top three biggest challenges that they will face in their role until 2020 followed by 42% who point to increasing competition. And more than one in three (34%) highlight growth of emerging markets as part of their top three external concerns.

Megan Alexander, General Manager at Robert Half New Zealand says: *“As an open and export-based economy, the New Zealand market is particularly susceptible to the impact of macro-economic global fluctuations such as Brexit or the US-China trade war. It’s not surprising, therefore, that the global growth and stability of our trade partners is currently a top concern among business leaders in New Zealand. These geopolitical and economic challenges in turn can place a heavy burden on innovation, entrepreneurialism and creative thinking within companies at a time when many companies are being disrupted.”*

2. Technology continues to dominate

Four in ten (40%) New Zealand business leaders highlight technological changes as one of their primary external concerns, highlighting the continued dominance of technology on the business agenda. While the business advantages of digital transformation are well-known, business leaders are faced with many hurdles in order to leverage the potential of tech opportunities for stronger business results including sourcing technically-skilled talent in a skill-short market and adapting existing workforces to change while upskilling them to meet future business needs. A failure to do so will not only see businesses miss out on internal benefits, but also fall behind competitors and lose a long-term competitive edge.

“From improving customer experience to leveraging data and AI for enhanced productivity, business leaders have the daunting capacity to enhance nearly every aspect of their organisation through technology. However, it is not simply about implementing new operating systems and processes - they must also drive

¹ <https://treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2019-html#section-3>

² <https://treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2019-html#child-93>

³ <https://treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2019-html#child-7>

behavioural change, cultivate a workforce who can leverage the potential of the emerging tech, and shore up their organisation against the evolving threats and restrictions specific to their industry,” says Megan Alexander.

3. Talent gap impedes organisational productivity

Access to talent remains a key concern for business leaders across New Zealand, with 37% considering this to be a major external issue. New Zealand is faced with a tight labour market which is expected to stymie their projected growth potential, particularly as a declining unemployment rate, aging population, and slowing migration rates will see demand for skilled labour outstrip labour market growth⁴. On an organisational level, managing workloads (31%), keeping up motivation and engagement (30%), and improving the productivity of the team (29%) are the three biggest talent management concerns for New Zealand managers.

“In a fiercely competitive talent-short market, companies should continue to finetune robust staff attraction and retention programs, as well as developing comprehensive training programs to ensure their staff are equipped with the right skills to successfully tackle organisational digital transformation efforts.”

“The perfect combination of technically skilled, highly experienced candidates with interpersonal skills that can push through the behavioural change companies require is scarce. Employers need to think longer term about employing candidates with common values that they can develop through ongoing development and cultural emersion,” concludes Alexander.

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Notes to editors

About the research

The annual study is developed by Robert Half and was conducted in January 2019 by an independent research firm, surveying 302 business leaders in New Zealand. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the world’s first and largest specialised recruitment consultancy. Founded in 1948, the company has more than 300 offices worldwide providing recruitment solutions for accounting, finance and technology professionals in New Zealand. More information on roberthalf.co.nz.

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⁴ <https://treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2019-html#child-7>