



Talent risk one of the biggest threats to growth

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KPMG's global CEO Outlook pulse-check shows talent risk has become the second greatest perceived threat (behind cyber risk) to organisational growth for New Zealand CEOs. This is a seismic shift given that less than eight months ago, and prior to Covid-19, talent risk hadn't even registered in the top ten.

It is likely that this shift in perception reflects major changes in both demand and supply.

CEOs rely on top talent to execute change. What we're seeing and hearing from CEOs in the face of the current crisis is that they're making decisions in days that previously would have taken months, and that they're executing change in a matter of weeks that previously would have taken years. For many organisations, the pace and scale of this kind of change requires a different set of skills than those possessed by the incumbent team, which creates a talent gap.

Pre-Covid, New Zealand CEOs were able to source experienced talent with applicable skill sets both locally and globally, with Australia, South Africa, Asia and Europe proving particularly fertile grounds for recruiting.

However, at the time of writing, border closures have completely cut off the international talent channel, and we expect to see a dramatic increase

in tension in the domestic market for rare skill sets, creating a supply challenge. Will local CEOs turn to their competitors' teams in an attempt to get the best possible talent on board? And will their global counterparts be experiencing similar challenges and up the ante to retain their own best talent once the borders and recruitment opportunities re-open?

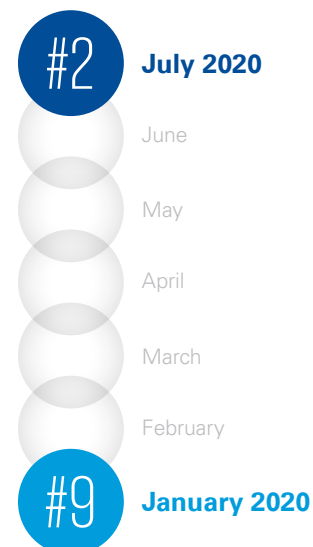
KPMG New Zealand CEO Godfrey Boyce says, "The 'reset' mentality and change imperative of New Zealand CEOs is healthy for our medium and long-term futures. To maintain momentum (although not necessarily at 'crisis pace') and build on the gains achieved, in addition to upskilling our local talent we need to use our current reputation on the world stage to attract the world's best people here - as soon as it's safe to do so. New Zealand wants to be a winner in the new global war for talent."

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Godfrey Boyce
CEO, KPMG New Zealand

Ranking of **talent risk** as great threat to growth:



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