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As companies realize the challenges of new business parameters, will savvy executive talent be harder to find?

With a recovering economy, companies are cautiously rebuilding executive management infrastructure. According to ExecuNet's 2011 Executive Job Market Intelligence Report¹: "...several sectors hit hardest by the recession – from consumer products to financial services and manufacturing – are rebuilding their management infrastructure to support business objectives."

Leadership abilities PLUS global talent

Business leaders will need to find ways to increase company revenues, retain top-level executives, and build new executive teams. In addition, new business parameters necessitate a global outlook - a Boston Consulting Group (BCG) global survey² into successful talent management unearthed five levers: "Embrace a new global talent mindset; elevate global talent planning to an item on the CEO's agenda; expand the hiring horizon; accelerate careers and create global leaders; and, embed the new global mindset in all leaders." Therefore, in addition to identifying and retaining current executives with high-level potential, firms need to use strategic executive hiring practices to prepare for global succession planning.

Retention and Selection

Of course, key executives are now exploring their options. Indeed, as the ExecuNet report made clear: "While many companies remain risk-averse, there is some risk of waiting too long to recognize a shifting management talent market and/or failing to identify critical retention risks before such top performers head for greener pastures." According to the report, 25% of executives expect 'high levels of turnover' in 2011.

And key executives are also realizing the potential of opportunities available on a global scale. Sectors such as marketing and finance are showing renewed growth - and migration to non-Western countries. The Economist, (April 14th 2011, print edition) reported that 'jobs in finance are migrating to growth markets, particularly in Asia.'

And the BCG report showed that marketing now ranks in the top five highest growth functions – '... a historic indicator of business growth and re-investment, a function that executive recruiters expect to see more demand for in the months ahead.'

New Understanding

The recessionary climate of the past three years weaned out weak, non-performing companies. Now, the survivors must rebuild with key talent, encouraged from within their ranks, and also by intelligent, global-savvy hiring practices.

According to BCG, companies need to understand three things: "First, the global demand for talent is growing more intense. Second, the supply of Western talent is shrinking. Third, although rapidly developing economies have bountiful supplies of talent, the challenge of operating in those markets are numerous and complex."

The BCG report's conclusion is succinct: "Companies first need to recognize that strategy without talent is merely a good idea, and they need to develop the skills to oversee global talent as rigorously as they manage corporate finance and other core corporate activities."

References: 1. 2011 Executive Job Market Intelligence Report. 19th Annual ExecuNet Report

2. BCG Focus: Aligning Talent for Global Advantage. How Top Companies develop the Right Talent in the Right Places. Boston Consulting Group (BCG)

Calendar

MAY 25-26 2011

Future of Leadership
Development
Barcelona, Spain

JUNE 2-3 2011

Meeting of the Executive
Board of IRC Global Executive
Search Partners
Milan, Italy

JUNE 3-4 2011

Managerial Challenges
of the Contemporary Society
Cluj Napoca, Romania

AUGUST 10 2011

Global Academy of Business
and Economic Research
Conference
Beijing, China

OCTOBER 3-5 2011

HRE 14th Annual Technology
Conference
Las Vegas, USA

OCTOBER 6-7 2011

Annual Meeting of IRC Global
Executive Search Partners
Santiago, Chile

About IRC

IRC Global Executive Search Partners is a global professional alliance of independent executive search firms, united in their commitment to providing the highest possible standards in management search services.

IRC Global Executive Search Partners is an alliance that embodies the best of both worlds - thinking globally and acting locally. We invite you to enquire as to how to put it to work for you on your critical hiring assignments.

European HR Trends

Technology, global information and social media all influence current European HR developments.

IRC's European team meets twice a year to align its joint strategy, to learn from developments in other countries, and to meet with HR directors to understand and respond effectively to the challenges of our client's global recruitment needs.

At the March meeting in Budapest, member firms (representing 13 countries) shared important individual country developments. This included changing HR developments and current corporate activities.

Overall

Following global economic trends, some European countries are faring better than others, with strong differences in the general HR approach and corporate planning. In general, unemployment rates vary considerably within the EU region, from five to 20 percent.

Optimism

However, there is optimism in Czech Republic regions, and within specific, medium-sized business. The outlook in France seems to be returning to 2008 levels, and Germany and Denmark are both seeing an improved economic situation. There are strong developments in car manufacturing, and an increased demand for women in top management, although some EU countries face a shortage of top engineering candidates, and a dearth of senior quality managers.

Technology

Business use of mobile devices, cloud computing and online sharing of global business intelligence continues its upward journey. Reflecting that trend, social media, such as Twitter, Facebook and LinkedIn, is gaining importance in executive recruitment in Switzerland, Czech Republic and Netherlands.

Global

Shared information and knowledge can lead to global opportunities. Previously, IRC member firms met Roger Dobson, the Global HR Director of the Flooring division of Swiss-based Forbo group.

This led to business for IRC member firms in the Asia Pacific region, which was successfully completed.

"They did an outstanding job for us," said Roger Dobson.

At the Budapest meeting, the guest speaker was Tamara Peloquin, the Global HR Director (various divisions) of Avery Dennison. Her state-of-the-art presentation described her global approach, while the joint discussion focused on the complex challenges encountered when searching for top executive talent.



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Placements Roundup

Americas

- Chief Executive Officer: Manufacturing
- Vice President, Business Intelligence: IT/Telecoms

Asia Pacific

- Project Controller: Renewable and Green Energy
- Chief Financial Officer: Plastics, Paints & Chemicals

Europe

- Regional Managing Director: Metals, Chemicals, & Processing
- Chief Operations Officer: IT/Telecoms
- Managing Director: Insurance & Fund Companies
- Chief Executive Officer: Entertainment, Media and Communications

Cross-Border

- Europe/Americas – Deputy Controller, Brazil: Metals, Chemicals, and Processing
- India/USA – Business Head – NAFTA Region: Food, Beverage, and Health and Beauty

New Member Firm

Argentina

International networking is a must for Oxford Partners large, national and international clients, according to Partner, Rubén Heinemann. “Through our membership in IRC, we can now offer a seamless, cross-cultural, cross-border service. Our specialized, local knowledge will also enhance our IRC partners’ client services in Argentina, Uruguay and Paraguay,” he adds. The Buenos Aires-based executive search firm provides top-level executive search services.

South Korea

“There is tremendous growth potential in the South Korean market – and Korean companies interested in expanding know they will need top talent,” says Chris Kim, CEO of Honors Careers International.

Chris comments that many Korean companies are keen to recruit top talent in each geographic market, making them excellent prospective clients for the IRC global alliance. The Seoul-based firm specializes in middle management to executive-level searches for multinational companies in healthcare, technology, chemical and energy, FMCG, finance and banking.

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Case Study: Challenging Assignments

Chief Executive Officer - Real Estate Development Firm

An entrepreneurial, rapidly growing real estate development company needed a senior professional to run operations, establish effective management and corporate governance practices – and assist the company’s founder in creating and executing a long-term strategy for sustainable growth.

Assessment

The organization needed to transition from the opportunistic and somewhat scattered founder’s approach to one more appropriate to a 1,000-strong company, able to attract institutional investors for continued growth. The right person would have a strong track record of harnessing the energy and vision of an entrepreneurial founder in creating a corporate structure for a sustainable future. The successful candidate needed to be entrepreneurial (to a degree), and possess business maturity, leadership and the discipline to transform the corporation from ‘founder’ to ‘professional’ management.

Challenge

The ideal candidate profile was a unique set of skills and experiences: corporate, yet entrepreneurial; strategic mindset, with strong operational abilities; and capable of leading, yet allowing the founder (who remained with the company) to continue in the limelight. And, in the short-term, compensation would be traded for the potential upside of equity and an eventual IPO. This hire would send a clear signal to industry and capital markets about the company’s intentions, so a wrong hire was unacceptable – candidate assessment would play as vital a role as candidate recruitment.

Methodology/Solution

The search (in the North American marketplace) sought to identify real estate development executives with a senior role in growing a company, but who were not the founding principals (too entrepreneurial and too expensive). A strong shortlist drew from corporate databases, online business networking tools and direct sourcing, and the client was advised on additional assessment tools to complement the interview process. Broad reference checks included speaking to colleagues at the same company as the successful candidate, and with people who had partnered with him on deals, and provided his firm with legal and financial advice.

Candidate

For the past eight years, the successful candidate had progressively more senior roles in a privately held real estate firm, reporting to the founder, and becoming de facto CEO. Although based in Canada, much of the firm’s work was in the U.S., where the real estate crash and credit freeze meant that he and his current firm faced an uncertain future and limited prospects for substantial growth. He was motivated for a change at the C-level, wanting an equity stake in a growth-oriented enterprise.

Postmortem

The new CEO impressed internal and external stakeholders with his ability to hit the ground running. He initiated processes to provide a truer valuation of the company’s assets, and facilitated discussions on a new approach to marketing the firm’s properties.

IRC Global Executive Search Partners Worldwide:

Argentina | Australia | Belgium | Brazil | Canada | Chile | China | Czech Republic | Denmark | Finland | France | Germany | Hungary | India | Italy | Mexico | Netherlands | Norway | Peru | Russia | Singapore | South Korea | Spain | Sweden | Switzerland | Taiwan | UK | Ukraine | USA