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In an uncertain world, managing human capital is critical to:

Survival – and success – in 2011

An unpredictable economy

Managing human capital needs is increasingly difficult in unpredictable economic times. However, it's critical to address your human capital challenges now as waiting for the economy to stabilize could take a long time. After all, human capital drives your productivity, maximizes your efficiency, develops your new products and ensures successful strategic implementation. The following ideas can provide the best chance for your company to survive – even prosper – during these tough economic times.

Always be prepared

In today's global business climate, emerging economies will always create economic growth. As a result, companies will need to keep a lean workforce and fully staffed corporate functions. An economic slump means widely varying demands, but your firm will need to innovate business processes.

Top five recruitment strategies

Defend your recruiting budget. Fight against a company-wide hiring freeze, which might cut costs, but could seriously impede responsiveness when the economy improves. Consider a spot-freeze.

Prepare for an onslaught of applicants. Ensure your process can handle a higher volume while maintaining quality standards.

Leverage other people's resources. Recruit at professional conferences; network with other professionals in similar industries, and call on them for their best recruiting practices.

Update your employee referral program. Lower the cost of referral bonuses by offering a chance to win spa days, or lunch with the CEO, and ask your company's top performers

for names of potential recruits.

Churn your talent pool. When your competitors are laying off top employees, it's faster and cheaper to recruit new talent (innovators with the skills you need) than to develop it in existing employees.

Conclusion

Innovative methods keeps your recruiting function flexible and responsive, and offers your company the best chance to survive, and perhaps even prosper, during these uncertain economic times.

Placements Roundup

• Americas

- **President:** Commercial Building Products
- **Vice President, Data Services and Analytics:** Consumer Services

• Asia

- **Associate Director, Corporate:** Commercial, Retail & Private Banking
- **President Director:** Software, Hardware & Electronics

• Europe

- **Managing Director:** Debt & Equity Capital Markets
- **President:** Electronics & Consumer Durables

• India

- **Group CFO:** Advertising, PR Publishing & Market Research
- **Audit Partner:** Accounting, Audit & Management Consulting

Calendar

DECEMBER 2010

13-14

Fourth International
Conference on Six Sigma
Glasgow, United Kingdom

19-27

Bangalore HR Summit 2010
Bangalore, India
www.hrsummit.in

JANUARY 2011

24-25

HR Directors Business Summit
ICC Birmingham, UK
www.hrevent.com

Contributors

Ian MacArthur
Managing Partner
Madison MacArthur

Patrick B. Ropella
President and CEO
Ropella Group

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.

Contact

Sylvia MacArthur
sylvia.macarthur@ircsearchpartners.com
1 416 920 0092
www.ircsearchpartners.com

Examining the global market

Market trends

Global growth estimate this year remains at 4.4%, with next year's advance revised down to 3.7% (see GDP chart, compiled from multiple financial institutions.) However, this year's projected economic gains mask some important changes in regional performances. Downward revisions to growth expectations for North America and some other countries have been offset by upward revisions to growth in other nations such as Germany and India.

While the recovery moves forward, global growth shows a weaker, rather than a stronger, performance profile. Economists believed the policy-induced rebound in economic activity — even in countries hardest hit by the housing bust and associated credit crisis — would eventually give way to a prolonged period of economic convalescence, particularly in advanced economies where households, financial institutions and governments are reducing their debt-heavy balance sheets. This transition appears to be happening quicker, and has apparently proven to be a bumpier road than had been foreseen.

The withdrawal of temporary stimulus initiatives has created a falloff in expenditures and manufacturing activity. The slowdown in the U.S. has been more pronounced, since the underlying economic fundamentals — reduction of massive debt burdens, chronically weak housing markets, and an exceptionally soft job market — are less supportive.

Internationally, pockets of economic strength persist, especially among the emerging nations where domestic conditions remain quite robust. Piggybacking on this performance and with the added assist from a sharply weaker euro in the spring, preliminary reports indicate surging German exports propelled overall growth to an annualized rate of more than 9% in April to June. Nevertheless, investors have become increasingly risk adverse over the summer — with the downgrading of global economic and inflation prospects and the European sovereign debt crisis — resulting in reduced corporate profit expectations and stock market holdings, and favoring the safety of high-quality government securities.

IRC: Global Forecast Update

International Real GDP (annual % change)

	2000-2008	2009	2010 (forecast)	2011 (forecast)
World	4.0	-0.6	4.4	3.7
United States	2.3	-2.6	2.6	2.1
United Kingdom	2.4	-4.9	1.4	1.2
Canada	2.6	-2.5	3.0	2.3
Euro Zone	1.9	-4.1	1.5	1.1
Germany	1.4	-4.9	3.0	1.5
France	1.9	-2.8	1.5	1.3
Italy	1.0	-5.1	1.0	0.9
Japan	1.4	-5.2	2.5	1.3
Australia	3.2	0.8	3.0	3.0
China	10.1	9.1	10.0	9.0
India	7.3	6.7	8.3	7.0
Korea	4.9	0.2	5.5	4.5
Brazil	3.3	0.5	7.5	5.0
Chile	4.3	-1.5	4.8	5.8
Peru	5.6	0.9	7.0	5.4
Mexico	2.8	-6.5	4.8	3.5

New Member Firms

Hungary

Swinburn & Partners ability to translate between Western and CEE business cultures, together with more than 19 years regional experience, will be enhanced through membership in the IRC Global Executive Search Partners (IRC) network, believes managing partner Roger Swinburn.

The Budapest-based executive search firm provides middle and senior management executive search services to the regional subsidiaries of leading multinational corporations.

Los Angeles

Saenger Associates works with both established and emerging companies and the firm looks forward to the opportunity for global partnerships offered through membership in the IRC network. The L.A.-based firm clients are in the manufacturing, distribution, and professional services sectors; private, public/Fortune-500's, and non-profit companies, both established and emerging, and typically in the middle-market areas.

Cross-border teamwork

An India-based company's expansion required a multi-faceted, multi-skilled CEO with deep knowledge of NAFTA seeds market. This necessitated in-depth research, senior resource commitment and an appreciation of the cultural sensitivity of U.S. and India cultures. IRC partner firms worked relentlessly – resulting in a CEO hire exceeding expectations.

Unemployment Rate by Country, Estimated, 2010

Argentina	7.0	India	10.7
Australia	5.1	Ireland	13.6
Brazil	7.3	Italy	8.4
Canada	7.9	Japan	5.2
Chile	8.6	Mexico	5.5
China	4.3	Peru	7.7
Czech republic	7.3	Portugal	10.8
Denmark	6.9	Russia	9.2
Egypt	9.4	Singapore	2.2
European Union	9.7	South Korea	3.7
France	10	Spain	20.0
Germany	6.9	United Kingdom	7.8
Greece	11	United States	9.6
Hong Kong	4.2	Vietnam	2.9

Information from multiple bank reports and country employment stats as of September 20th, 2010.

Preparing For Growth: Human Capital Management

Global competition, escalating energy costs and an uncertain global economy mean it's crucial for companies to do what they can to ensure continued success. Preparing for growth and addressing industry-wide issues is a complex strategic challenge. In the economic turbulence of the 2010's, not paying enough attention to employee retention issues may derail future growth by the loss of key personnel. Employee retention is a complex issue; does your organization make retention a strategic priority?

Here are some basic tips to retain your best human capital for your company's future growth:

- **Identify Top Talent**
Create a list of the people in your organization you can least afford to lose. Your retention plans will focus on keeping these people happily employed.
- **Improve Management Systems**
Effective management is about finding better ways to inspire and lead people, while also creating feedback mechanisms and early warning systems to stop problems before they occur and ensure results continuously improve.
- **Become A Strategic Recruiter**
Plan for the largest possible demand on your recruiting capabilities: new hires due to growth, succession through retirement or promotion, or replacements for attrition.
- **Gazing Into The Crystal Ball**
Plan your retention strategies, make improvements in your management systems to create a better work environment, and strategically recruit for future hires.

(An extract from an article written by Patrick B. Ropella, President and CEO, Ropella Group)

Our Key Contacts



President of IRC Global Executive Search Partners Executive Board:

Sylvia MacArthur (email: sylvia.macarthur@ircsearchpartners.com)

Members of IRC Global Executive Search Partners Executive Board:

Hamilton Teixeira (email: hamilton.teixeira@ircsearchpartners.com)

Malcolm Duncan (email: malcolm.duncan@ircsearchpartners.com)

Monicca Yan (email: monicca.yan@ircsearchpartners.com)

Richard Boot (email: richard.boot@ircsearchpartners.com)