

★ Executive Quality

THE EFFECT ON EXECUTIVES' QUALITY OF LIFE.

★ Long hours and dedication to the company were previously essential for promotion and career plans. Today, these factors are essential for simply keeping stationary.

★ Working hours have increased as has the pressure for efficiency in order to achieve short-term results.

★ The dividing line between private and professional life has become blurred. Privacy is lost due to modern communications – emails, mobile phones, Blackberries - constant trips, time differences, demands and expectations of immediate action.

★ Work is not only a part of one's life. It is becoming the reason for living, leaving aside more social and family aspects.

★ Commercial strategy is planned on a short-term basis, and there is a lack of loyalty to suppliers. Customers basically value immediate price/profitability. The idea of partnership is to drive down margins which results in lower levels of service.

★ Managing teams are being reduced, in a constant "reengineering" process. Fewer managers are required, although they can be better paid.

★ With advanced and detailed monitoring systems, there is more pressure on profitability criteria, whilst ignoring human or long-term aspects of the business.

★ The improvement of quality-of-life is becoming a difficult dream to be achieved by executives. Early retirement becomes the objective.

★ The most important point now is "to create shareholder value" with a consequent short-term vision. Much less attention is paid to parameters that cannot be quantified financially.

★ The number of prematurely retired executives who have substantial skills and expertise and could still contribute to a company has increased significantly; but they are fatigued by excessive work pressures or strategic changes, in which they no longer wish participate. These valuable people become lost to the job market and exacerbate the skills shortage.



The effect on executives quality of life –
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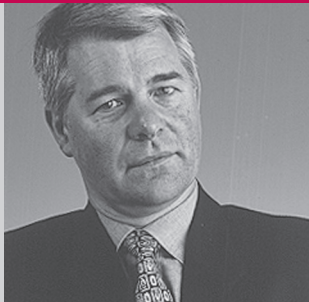


NOVO

EXCELLENCE IN EXECUTIVE SEARCH

EMA NOVO, the EMA Partners International newsletter, is published periodically. It contains news and information from and about EMA Partners throughout the world.
www.ema-partners.com

★ Editorial



Headhunters forced to go global –
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It is a great pleasure to write a few words for our latest edition of EMA Novo.

We recently held our annual meeting of Partners in Barcelona and the event was marked by a presentation to some 200 local businessmen, given by members of a Catalan team that had scaled K2, rated as one of the world's most difficult peaks to climb. Parallels were drawn between what was needed to succeed in such a venture and the similarities with business. For me there were some striking comparisons:

- The need to have a target or goal (the summit) with intermediate goals along the way, various camps, altitudes etc
- How easy and tempting it is to give up before reaching the goal.
- The need for regeneration; that is when a strategy or tactic is not working, be prepared to change.
- Teamwork incorporating trust, openness and mutual confidence is essential.
- Co-inspiration not Conspiracy (conspiracy).
- There will be successes and failures along the way. Celebrate the successes and learn from failure.

In all, this was a most inspirational talk and whatever business we are in, the above points are all relevant. This is especially true about Executive Search.

Our meeting was also marked by several significant events, including voting in new partners in the Czech & Slovak Republics, Norway, Malaysia and, not least of all, Iceland. In future editions of Novo, we will feature these Partners.

However, I would just like to add a few words about Iceland. Why Iceland? The population is just about 360 000. However, it has one of the highest GDPs per capita in the world and Icelandic companies and investors have been busy over the last couple of decades expanding their reach substantially, especially in Europe and North America. Hence the need for our Icelandic Partners to have a Global presence. Details of all our Partners, including our new Partners are contained on our web site.

A major step forward in ensuring that we maintain the highest possible standards in Executive Search was the creation of a Pro-

fessional Standards Committee, responsible for both defining common standards and ensuring that they are maintained. This gives our clients the assurance that we are serious about "world-class" performance. Further, in the unlikely event of client dissatisfaction with any of our Partner companies, our clients now have a formal mechanism by which such instances can be investigated.

We have also put in place a different management structure. This was to reflect the changing nature of our client base which has become rather more global in the last decade, as you will see from some of the articles in this newsletter.

Although these activities can be viewed as internal issues, I should like to emphasise that the overall aim of our Conference was to put in place systems and structures to ensure that we keep improving and taking note of what our clients wish – a totally professional global executive search service.

As we are always striving to improve our service offering to our clients and indeed our fulfilment, do feel free to contact me or any of the EMA Partner companies within your area and let us know what we can do better.

Meanwhile, within this newsletter, I trust that you will find articles that might be of interest to you. If you have any comments at all about any of the articles, please feel free to contact me or the authors directly.

Best Wishes,

James Douglas
Regional Chairman, EMEA

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“HEADHUNTERS FORCED TO GO GLOBAL”.

This was a recent headline in a UK newspaper. James Douglas, MD of EMA Partners UK, discusses the reality of Global Recruitment.

We are constantly hearing about difficulties in executive recruitment, “the talent shortage”, “the war for talent”, “the global marketplace”. How real are these issues or are they just excuses by head-hunters to justify their fees?

Well, from our perspective within EMA Partners International, these are very real issues that we and our clients face today. The reasons for talent shortages are varied and I should like to highlight a few and illustrate these with some recent examples from our recruitment activity.

As internal markets can no longer provide the growth required by investors, companies have had to expand their operations overseas. This has been the case for many years in established multi-nationals such as BP, Siemens, GE etc, but what we have seen now is much smaller concerns developing their international operations with a consequent demand for staff who have an international dimension. Industry and commerce have seen remarkable rationalisation in their structures no matter what the sector, from aerospace to banking. Mergers and acquisitions lead to cost savings and increased market share. The corollary is that there are less experienced staff in the “pool” as companies “rationalise” their staff. Training and development opportunities are fewer.

To illustrate this point, when EMA Partners International was founded in 1988, in the UK there were 4 major UK Defence Electronic companies; GEC, Ferranti, Plessey, Thorn - EMI. Now there is one – BAe Systems. Emerging markets are generating their own demand for experienced executives. For in-

stance, Indian companies are no longer satisfied with their own national market and are actively expanding on a global basis. This drive to become multinational creates further demand for experienced executives.

There are, of course, many other factors involved such as demographics, lack of investment in training, the re-shaping and loss even of traditional industries but they all lead to a dearth of talented people who can make a difference to a company's performance. After all, technology and physical resources are readily available to most; the differentiators are the people who make a company and that's where we become involved. To illustrate these points, I would like to highlight 3 recent projects that we have undertaken.

The first was to find a Global Supply Chain Director for a UK multinational manufacturing company. Regrettably, the UK's manufacturing base has reduced substantially over the last 20 years or so, and the number of potential sources of suitably experienced individuals was small. Eventually the person we located, and who was successful, was based in Geneva.

The second was to find an Engineering Project Director for a major infrastructure project in South Africa. Local recruitment had not produced any results simply because the relevant experience base does not exist in the country. Two EMA Partners were involved in the search, the UK & French offices, and candidates were sourced as far apart as the UK, France, Hong Kong, Taiwan, and Venezuela. Eventually, the candidate from Taiwan – a Frenchman – was recruited.

The third project concerned a major food and beverage manufacturer that was relocating its beverage manufacturing head office from the USA to Ireland. The client needed to staff

its office with senior managers covering a wide variety of specialisations, who would have global responsibilities. Clearly, the Irish market has limited numbers of such qualified staff with the multi-cultural background being sought by the client. We handled a number of positions for the client, searching for suitable candidates in Belgium, France, India, Ireland, Romania, South Africa, Spain and the UK.

These examples show just how far we have to go to meet our client requirements. Finding such candidates does demand considerable effort as well as having an effective global structure in place, staffed with consultants who know their market.

However, I should also sound a note of caution. There are many people who simply cannot or will not move country for work. The concept of the global executive is still in its infancy. ■

”WHEN HOPE IS JUST NOT GOOD ENOUGH.”

As providers of Retained Executive Search, our business model is sometimes challenged by clients who are either new to the concept of Retained Executive Search or compare it to recruitment agency offerings. To complicate matters further, there are many recruitment agencies who openly advertise their claim that they offer search services, when in fact they are not professionally equipped to operate in that market space.

To help clarify and inform clients' understanding on this issue effectively, it is useful to focus on a single key distinguisher between Retained Executive Search and agency recruitment activities. In essence it boils down to the difference between HOPE versus PROFESSIONAL RESEARCH. With general recruitment approaches, a client organization can only HOPE that an agency has the ideal profile fit from candidates already on their existing database.

This 'hope' approach often forces them to engage with several agencies in an attempt to spread the risk (hope) that they will be successful. In turn, that makes it very difficult to adequately equip each agency with a full profile understanding of the candidate requirements resulting in a briefing exercise amounting to little more than a circulation of the Technical Fit requirements. As anyone involved with high level recruitment will be acutely aware, the Technical Fit is in fact the relatively easy part of the exercise. Of much more critical relevance to ensure a sustainable alignment of candidate to client's vacancy, is the in-depth research of the complementary behavioural fit elements of Motivational Fit, Organisational Fit and Cultural Fit.

Let us just explore these in a little more detail. In terms of Motivational Fit, it makes little

sense to progress a candidate who possesses all the qualifications and experience required, if they exhibit little motivational alignment to ensure the delivery of their inherent capabilities to the benefit of the host employer. Whilst this statement is simplistic in extreme, it is nevertheless an area that is often overlooked by the more general recruitment level operatives in their rush to beat the other agencies in the race to put CVs in front of the client and therefore lay claim to the fee on offer. This process often results in the 'spray and pray' approach in the hope that one of the agencies' CVs will 'stick' with the client and be finally accepted. This approach is not only highly disrespectful to the

ted candidate. It would be foolish in the extreme to offer such a guarantee without an in-depth review and analysis of the full behavioural competency profile which reveals the particular motivational fit alignment between candidate and client. But aligning the Motivational Fit in terms of behavioural competencies is not enough. The alignment of additional clusters of behavioural competencies, namely Organisational Fit and Cultural Fit will also play a pivotal role in ensuring that the best match of logic exists between what a candidate has to offer and what a client is looking for. With Organisational Fit, the individual is assessed in terms of comfort and preference regarding issues such as organisational de-



When hope is just not good enough –
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candidate and the integrity of the recruitment process, but it is also not really serving the best interests of the client organisation.

By the very nature of Retained Executive Search, the omission of evaluating Motivational Fit cannot occur. This is by deliberate design rather than by good fortune, as an aspect of Retained Executive Search includes a guarantee of tenure by any appoint-

sign structures, autonomy of decision making, market sector and issues relating to size and ownership of the entity. Likewise, Cultural Fit also has an important role to play as it reflects the candidate's ability to perform effectively and make a meaningful contribution in different working environments. Some candidates perform best in conservative type organisations whereas others thrive in a

more creative, lateral thinking, innovative and pioneering environment where it is actively encouraged to challenge the norm. Clearly, ignoring all these elements of alignment in preference to a singular focus on the Technical Fit components alone will never present the opportunity for a candidate to maximize their voluntary commitment and performance contribution to an employer. We are all subject to the almost natural law of logic. Does it make logical sense for the candidate to be interested in the proposition that the employer is making? And equally importantly, does it make logical sense for the employer to be interested in what the candidate has to offer at that particular stage of their career progression?

Without reviewing all of the above aspects, the hire or not-hire decision is not as straightforward a decision as it might appear at the outset of the recruitment exercise.

Leaving these critical aspects aside, a further argument could be put forward by recruitment agencies that they not only review their databases, but also advertise to attract the profile of candidate required to meet the needs of client companies.

The apparent advantages, but also significant limitations of this approach, will be discussed in Part 2 of this article in the next edition.

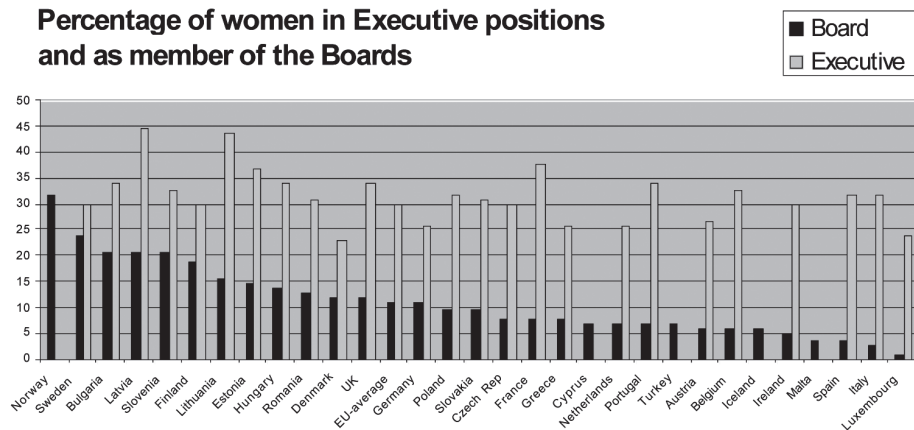
FEMALE BOARD MEMBERS IN LEADING EUROPEAN CORPORATIONS.

There are major differences within Europe regarding the number of women who are Main Board members. However, what is clear is that women are in a substantial minority in the whole of Europe when it comes to Board members.

Recently, the EU Commission carried out an investigation to show and compare the figures in each country. The survey included the 50 biggest listed companies in each country. On average, the percentage of women in the Boards amounts to 11%. This figure should be compared with women as business executives, which is 30% in Europe.

Extreme cases are Norway at top-level position with 32% women in the Boards and Luxemburg with the lowest level of only 1%.

Percentage of women in Executive positions and as member of the Boards



Source: The EU Commission, 2006, published in DIW, Berlin 2007.

Table

Comparison between the percentage of women as Business Executives (2005) and the percentage of women as Board members in the 50 biggest listed companies (2006). N.B. Incomplete information regarding Norway, Cyprus, Turkey, Malta and Iceland.

Why these differences?

The discussions about this issue are many and differ from country to country. In some

countries public opinion is in favour of a quota system. In 2004, by inaugurating a quota system stipulating a minimum level of 40% women on company Boards, Norway was the first country that really showed that they wanted to change the current situation. This spring, 2007, Spain decided to go the same way – not only in the Board rooms but in order to increase the number of women in the business world.

Is a quota system really the solution?

The pros and cons of quotas have caused a lot of discussions all over Europe. For fear that the competence of the Board could be diluted by quotas, many people don't want that system. Their argument is that you should be elected Board member not because of gender but because of experience, competence, ability. For them a quota system would not favour women – rather the opposite. Whatever one's opinion about the method, I guess we can all agree on the fact that the discussion caused by the idea of a quota system will draw attention to the lack of women in the Board rooms and, hopefully will result in an increasing number of women as member of the Boards.

Do we really need a Board room equality?

Our populations, our markets, our staff all consist of around 50% women and 50% men, don't they? The role of the Board is to make sure that the company develops further, is competitive, and looks after shareholders' interests. From this point of view, the constitution of a Board should aim to reflect the population, its market, its staff and that in turn will create a dynamic atmosphere in the Board rooms. As you know, you don't get a dynamic Board by a standardised group of people but by a variety of people.

Some people say that women don't want the responsibility of being a Board member.

As an average 30% of the Business executives in Europe are women - women who take a great deal of responsibility through their jobs - there is no reason why they'd say "no" to a seat on the Board. Furthermore, the 3 European countries with the lowest percentage of women as member of the Board, have a "normal" percentage of women as



Female Board members. –
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Business Executives: Luxemburg, Italy and Spain with respectively 24%, 32% and 32%. So, there is no lack of female candidates for a seat on the Board!

The EU commission investigation

shows that 26% of the Business Executives in Germany are women. At the same time, the investigation shows that on the Board (=Aufsichtsrat) of the 200 biggest companies in Germany, there are only 7.8% women. A good half of them are elected as trade union- and employee representatives. There is only 1 woman in the Executive Board (=Vorstand) among the 100 biggest companies in Germany! The corresponding figure for the 200 biggest companies is 11 women.

Why?

Maybe the reason why we have this situation is that nominating committees are like "the good old days" - clubs for men - where it is difficult to find opportunities to renew or revitalise the Board – and where women are if not absolutely forbidden, certainly not encouraged. These "Clubs" can be tricky to get in to even for younger men or for people outside the "inner circle". So, we have to find new ways to the Board rooms!

In order to renew and develop the Boards further and to let them reflect the market more clearly, and even better look after the shareholders' / owners' interests we have to find better ways. We have to show that there are new, competent, experienced and devoted potential Board members outside the long-serving, well-established selected few. We have to broaden these narrow circles:

- Think different
- Use, for example, Executive Search in order to identify Board Room talent.
- If it is difficult to change the Board Room immediately, try - the model of "Advisory Board"
- Look at changes and renewals as a competitive advantage.
- And remember, changes hurt but without changes you will run backwards as the market moves forward. ■

ABOUT THE AUSTRALIAN ECONOMY.



About the Australian Economy –
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Australia has one of the strongest economies in the world – competitive, open, vibrant and flexible.

According to the 2006 Economic Survey by the Organisation for Economic Cooperation and Development (OECD), living standards in Australia now surpass those of all other Group of Eight countries except the United States.

Since 1990, Australia's real economy has grown by an average of around 3.3 percent a year. Australia's GDP in 2006 (in value terms) was around \$1 trillion.

In recent times, Australia's economic performance has been driven by growth in consumer demand for services, as well as infrastructure spending and resources exports. The "resources boom" is luring resources – skills, investment and population – away from the South Eastern states, creating a two-speed economy and labour market. We have also witnessed a divide between the fortunes of Australia's international industries and traditional domestic-focused businesses. The growth in services, further internationalisation of the Australian economy and global

demand for resources are trends forecast to continue in the medium term.

Employment Conditions & Recruitment Climate

In line with strong economic growth, unemployment levels have fallen, from a peak of nearly 11 percent in 1992 to 4.3 percent in July 2007, its lowest level since the 1970s.

Partly due to demographic change and these strong employment levels, Australia is suffering widespread skill shortages. These shortages are particularly acute in engineering, technical and trade, and financial services. These conditions mean there is a very tight candidate market and "war for talent".

Australian recruiters have traditionally been early adopters of recruitment technology; but in today's market it is a necessity to be ahead of the pack. In line with this, Slade Partners Executive Search has built a reputation on advanced research capabilities, Quality Assurance and technological innovation as a way to provide the best talent to the top companies. Increasingly Australian employers are looking to source talent from outside Australia, and this has been caused by the shortage of talent within Australia and reflects the international outlook for many organisations.

The market for Executive Search services has been particularly strong, and is at record levels. The tight candidate market has meant that Slade Partners Executive Search is being employed in a wider range of position levels and for highly technical appointments.

Other services include Board and Organisational Reviews, Psychological, Emotional and Behavioural Assessments and Outplacement Services.

Slade Partners Executive Search

Slade Partners Executive Search was founded by Geoff Slade in the late 1960's who was recognised when he was awarded the Centenary Medal for Services to the HR industry and for his total dedication to the field of employment. He is also an acknowledged "thought leader" in the Global approach to the "war for talent". ■

★ Leadership Journeys

LEADERSHIP IN ROMANIA – A TIME FOR OPPORTUNITIES.

Romania enters the global circuit of managers

Practically, we can talk about modern management in Romania only after the '90s when, alongside the newly free economic market, foreign business came in. The market required, at that time, special developmental and entrepreneurial abilities. Corruption, an uneducated market, or at least one with very different habits, unstable economic, social and political environment made the Romanian market a new and challenging one. Business leaders, expatriate managers and local entrepreneurs, were characterised by a remarkable capacity to build business from nothing. International companies, desperate for local knowledge, took engineers directly from factories and sent them to generate markets for, for instance, detergents.

Top managers remember when one only had to accept a top multinational's offer without having been asked about any experience or competences.

The positive result of that era is that today's managers were formed under extremely demanding conditions. Pressure was generated by an atypical market where the know-how brought by experts was limited to general rules. Operational managers such as production or commercial staff, of international companies had the chance to be involved in the majority of the stages and areas that built these companies in Romania.

Their development was supported substantially by intense training and coaching, in Romania or abroad. Within their budgets, companies allocated a great amount to training. Although the Romanian education system is a good one, it was, nevertheless, one that concentrated almost exclusively on theory and less on practical skills; the need for vocational and further education was and is substantial. The training market in Romania is big and growing.

Relatively few of the Romanian managers were formed at the famous European Management schools. By using imitative learning or mimetic behaviour, they developed a competence and abilities kit that is compatible with the Western one, a professional attitude that gives employers and shareholders the confidence to promote them within their organisations.

Currently, a common topic in the economic media refers to local managers' opportunities to progress beyond their initial levels so developing their competency levels. The first signs of this were when multinational companies started to repatriate their expat management at top levels and replace it with local Romanian managers. Now, companies with very ambitious plans are prepared to

appoint local executives to the top positions. Romanian managers know the local market very well, the culture, have the vision of the economic specificity and they meet the quality demands imposed internationally. Until now, the low overhead cost of the Romanian managers did not warrant reducing the number of expensive expats especially because the former didn't have the necessary abilities and experience to take over the tasks of the latter. Nowadays, quality differences are much smaller and overhead costs are a significant consideration in headcount planning. In the Romanian economy there is a relatively stable balance between industries led by Romanian managers and those where the top jobs are filled by expats. We have some international banks' branches where the top level is still dominated by expats. The current view though is that the obvious trend is to form a solid local management that will soon replace the majority of expats.

For the first time in the recent history, Romanian managers have to think strategically. Economic and political stability has permitted businesses to plan for the long-term. For Romanian managers it's really essential to have a long-term vision and for the first time this vision will make a difference to their company's performance. These considerations have resulted in Romanian managers entering into the global executive circuit. There are constant media reports about Romanian executives leading international companies or their branches throughout the world. For instance, in 2006, Holcim sent over 13 Romanian expats in management positions, Lafarge had over 30, over 50 for Coca-Cola as well as ING Bank and Vodafone. These are only a few of the most high profile examples and the trend is growing at a remarkable rate. Romanian managers' experience is especially valuable in emerging markets. One of the features of an emergent market – the necessity to take quick decisions with the ability to change plans often

– has been experienced in depth by most modern and successful Romanians, which makes them sought after by the global players. To illustrate this, I can cite that Lafarge relocated one of its Romanians to lead its Indonesian division, Unilever to Brazil, Inbev entrusted its operations in Central Europe and Cuba, Saint Gobain in South America – these are but a few examples..

Coming from an emergent economy, Romanian managers are valued as being able to bring fresh vision – they can see business opportunities that perhaps the Western managers don't notice anymore. All this demonstrates just how far Romanian executives have progressed on the Global Executive Market



Leadership in Romania –
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