

Working for
Microsoft

Page 10



London's future

Page 22



Banking in Asia

Page 26



Leaders in
history

Page 30



HOURGLASS^{HR}

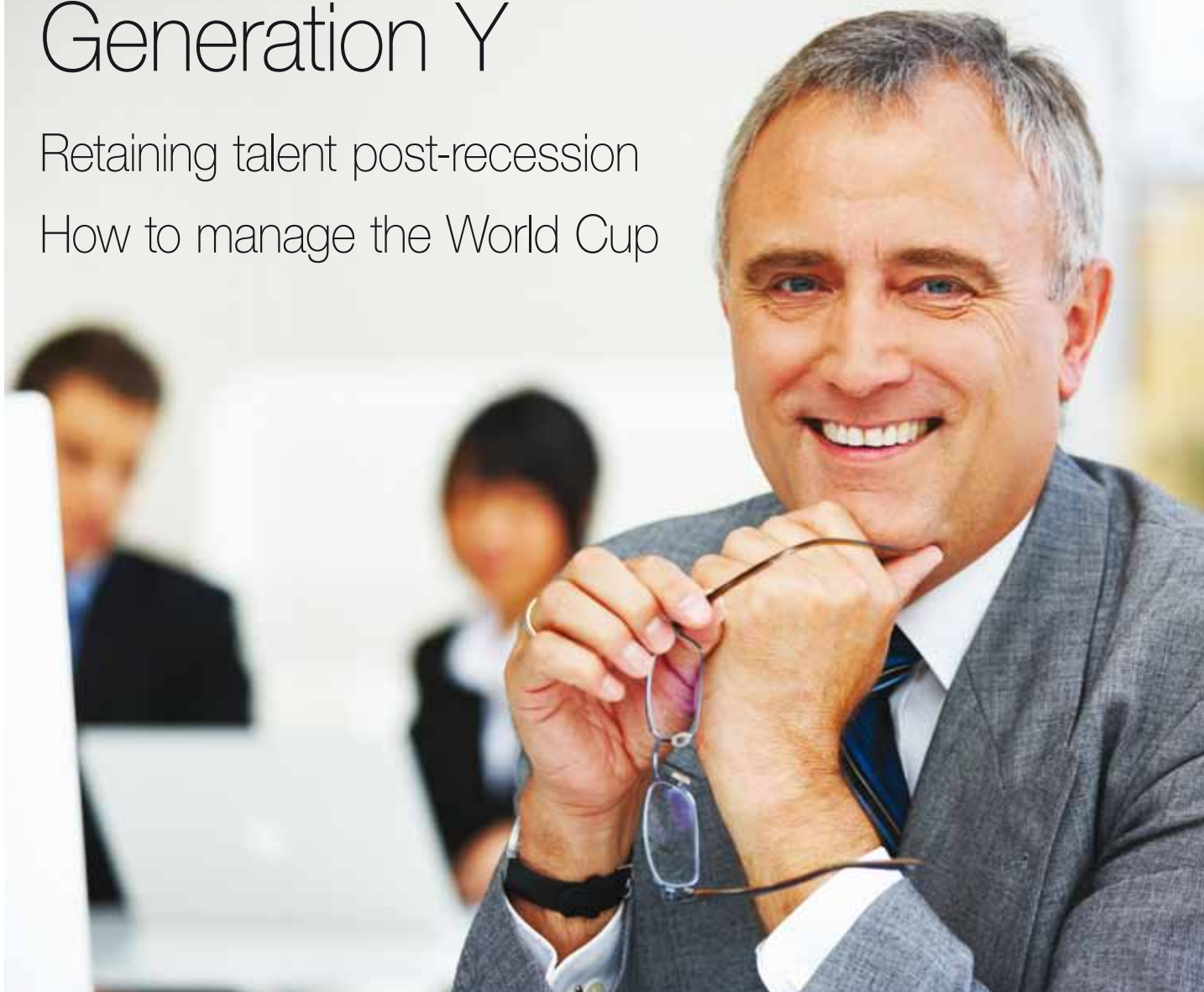
Issue 18 – June 2010

Enhancing value through people

Managing beyond Generation Y

Retaining talent post-recession

How to manage the World Cup



Are you leaving money on the table?

By maximising tax-efficient benefits in your reward strategy, you can realise savings both for your business and your employees. Offering a wide range of services and expertise our employment solutions specialists are on hand to help. Stay ahead - in Ireland contact
Mary O'Hara - E: mary.ohara@ie.pwc.com P: + 353 1 7926215 or
Mark Carter - E: mark.p.carter@ie.pwc.com P: + 353 1 792 6548

www.pwc.com/ie/hrs

PRICEWATERHOUSECOOPERS 

Editor's Welcome

01

Thought leadership without the padding,
Hourglass cuts through the clutter to reach the key issues.



Generation Y certainly gets its share of attention these days, with employers understandably concerned about how they manage this new wave of workers and their seemingly unique needs. But are we in danger of forgetting about the needs of the older generation? There is that risk, certainly, not least in working out how the younger and older generation can work effectively alongside each other. Sally O'Reilly looks at many of the issues surrounding the age question on page 6.

The effect of the banking crisis continues to reverberate across the world and the shock waves, it seems, will be felt for years to come. If the threatened crackdown on banking regulation comes about, we are told that the implication for London as a financial centre could be severe. But will bankers really move wholesale away from the UK's capital? And will Asia claim the throne as the banking industry's new centre of choice? In this issue, Mick James and Professor Ron Collard examine both sides of the equation on pages 22 and 26.

As you read this issue of Hourglass much of the world will, of course, be caught in the grip of a different kind of fever as the football World Cup kicks off in South Africa. We will shout, cheer, remonstrate and commiserate. We may even weep. Thousands of us will travel to see games and millions will watch on television. How many of them will be your employees? And how are you intending to cope with the madness? On page 34, Beth Holmes offers some advice so see us through the tournament. Good luck!

Douglas Broom
Chief Editor

Editorial Offices

Hourglass
Croner
145 London Road
Kingston-upon-Thames, Surrey KT2 6SR



Chief Editor

Douglas Broom
hourglasseditor@croner.co.uk

Editorial Committee

Michael Rendell, Isabel McGarvie and Lydia Ruffles
(HR Services Consulting, PricewaterhouseCoopers),
Douglas Broom, Liz Fisher (Croner, Wolters Kluwer)

Commissioning Editor

Liz Fisher

Advertising Sales

SP Media Ltd
Old Byre House, East Knoyle, Salisbury SP3 6AW
sabrina.croner@spmedia.co.uk

Design and Production

Rick Fishenden

Published by

Wolters Kluwer (UK) Ltd
145 London Road
Kingston-upon-Thames,
Surrey KT2 6SR



Tel. 44 (0) 20 8247 1372

Fax. 44 (0) 20 8247 1388



Publication Sponsor

PricewaterhouseCoopers Human Resource Services
Plumtree Court
London EC4A 4HT



Tel. 44 (0) 20 7583 5000

Fax. 44 (0) 20 7212 2040

Printed by

Wyndham Grange, Southwick,
West Sussex



To comment on this issue of Hourglass

hourglasseditor@croner.co.uk

To request additional copies of Hourglass

hourglassdistribution@croner.co.uk

HOURLASS^{HR} is a registered trademark of
Wolters Kluwer (UK) Ltd

UP/HOURZ-AD5

© Wolters Kluwer 2010




Are you prepared for business climate change?

Businesses can no longer ignore sustainability and climate change, nor can they afford to merely pay lip service to it. Companies have started to realise that a strategically sound approach to sustainability around their people agenda can be a competitive advantage. At PricewaterhouseCoopers we're working hard with clients to ensure that, when it comes to sustainability they're prepared for change, whatever the weather.

www.pwc.com/ie/en/sustainability/



Contents

	Description	Page No.
	<p>06</p> <p>Looking forward It is dangerous to focus exclusively on the needs and expectations of Generation Y. The real challenge facing HR, and business in general, is much broader. Michael Rendell</p>	04
	<p>Beyond Generation Y Simple economics means that we will all have to work longer. But serious issues need to be addressed if older and younger employees are going to work successfully together. Sally O'Reilly</p>	06
	<p>HRD profile — Sarah Fisher Microsoft UK's HR director joined the organisation during one of the most challenging years the company has ever faced. But the software giant was careful never to compromise its distinctive corporate culture. James Ashton</p>	10
	<p>18</p> <p>Retention As the recession begins to recede, many businesses will be faced with a new threat as their top performers ride the crest of a new recruitment wave. How can companies prevent their talent being swept away? Philip Smith</p>	14
	<p>Diversity Nomura's ground-breaking diversity and inclusion programme has already brought great benefits to the organisation, says its head of diversity. But the ultimate measure of success will be if it eventually puts him out of a job. Sarah Perrin</p>	18
	<p>Financial services After years as one of the major financial centres in the world, there are fears that the UK tax system could drive many firms overseas. Is London's star on the wane? Mick James</p>	22
	<p>Banking in Asia The financial services sector in Asia is growing quickly but, as many western organisations have found, HR will play a significant role in success in the region. Ron Collard</p>	26
	<p>Leadership History provides us with some great examples of leaders, but not necessarily with great role models. Jonathan Gifford</p>	30
	<p>Employee management With the World Cup just around the corner, should HR resign itself to distracted employees and morning-after hangovers, or should it fight back? Beth Holmes</p>	34
	<p>A letter from Greece Greece's economic turmoil is having a predictable effect on its workforce. What can HR do to help? Mary Georgiadou</p>	36
	<p>References and further reading</p>	inside back cover

topic

author

Looking forward

Michael Rendell

Embrace our diffe

It is dangerous to focus exclusively on the needs and expectations of Generation Y — the real challenge facing HR, and business in general, is much broader.

04



rences

Much has been made of the march of the “millennials”, or “Generation Y”, into the workplace. But, while managing younger workers effectively is rightly a business priority, to focus solely on the needs, skills and expectations of any one generation would be to the detriment of any organisation.

The real challenge of course is much broader — and that is how employers can simultaneously manage three or four generations in the workplace while juggling the moving targets of evolving working patterns, stretching retirement ages and the increasing necessity to do business across geographic borders. Differing communication, corporate responsibility and technology expectations complicate things further.

PricewaterhouseCooper’s recent report, *Talent mobility 2020: the next generation of international assignments*, anticipates a significant swell in the movement of employees between countries. Our research with CEOs shows that businesses recognise both the economic benefit of international assignments, and the need to evolve the way they are managed and used. While traditional packages will remain the norm in some instances, the use of short-term and “commuter” assignments between countries is likely to soar over the next decade.

Looking at the demographic composition of the workforce will help organisations identify what type of international assignments and packages could best achieve both individual and corporate objectives. Younger employees’ appetite for working overseas could eventually remove the need for heavy financial enticement. But, with companies increasingly requiring senior staff to do a stint abroad to prove their flexibility and experienced professionals needed overseas to capitalise on revenue streams from emerging markets, we cannot yet consign existing international work models to the history books.

As the population ages, the evolution of work models will extend to domestic practices too. Today in the UK, there are two workers for every pensioner. By 2050, this ratio will be one to one. Pension and healthcare systems are under huge and growing strain, particularly in the US, Europe and some parts of Asia. Something has got to give and flexibility could be found in the form of changes to, or the abolition of, a fixed retirement age. While the fiscal imperative for extended working lives is clear, this idea has been better received in some countries than in others. Greek and French workers on the whole, for example, are demonstrably opposed (for more about Greece, incidentally, take a look at Mary Georgiadou’s fascinating *Letter from Greece* on page 36).

And what of those people who would choose or will be financially forced to work longer? These people present a series of, as yet, unanswered questions around requirements for reduced working hours, role changes and how those employees will relate to those who are new to the workplace. Debates

“ Pension and healthcare systems are under huge and growing strain, particularly in the US, Europe and some parts of Asia. ”

continue about whether longevity should translate to seniority and higher quality benefits. The absence of transparent and justified policies can create unnecessary tension and confusion.

As employers, we also face big challenges in terms of engagement, communication and the provision of benefits, particularly wellness and healthcare, to older workers. In some instances, workplaces will need to be adapted, roles shared and cultures changed. The UK’s *Sunday Times* newspaper recently reported an interesting example of a powertrain plant in Germany. In an effort to maintain productivity and accommodate the increasing average age of their workforce, the firm’s management redesigned workspaces, introduced new work rotation practices and brought in a physiotherapist. The point being that what works for people of one generation or job role will not necessarily be best for another, but keeping a close eye on your workforce demographics can help navigate this to bring business benefit.

Careful consultation with employees is essential to ensure any changes are received as they are meant. Continuing to articulate a shared vision and values should be a top priority as these intangibles are part of the mix that binds workers of all ages and motivations to their employer and each other. This is particularly true of communications with workers, of any age, operating outside their home country as loyalty and a sense of belonging are even harder to foster across borders.

Only time will tell exactly how the successful management of different generations will be characterised. What is absolutely clear is that different people bring different qualities and needs to the table, and embracing this fact helps business leaders get the most from demographic diversity.



Michael Rendell is a partner and global head of Human Resource Services at PricewaterhouseCoopers LLP.

topic

author

Beyond Generation Y

Sally O'Reilly

Cocktail of youth

Simple economics means that we will all have to work longer. But serious issues need to be addressed if older and younger workers are going to work successfully together.

06



and experience

When the champagne flowed after this year's Academy Awards, the star of the show was Kathryn Bigelow, director of *The Hurt Locker*. The main story was that Bigelow — tanned, toned and the former wife of Oscar runner-up James Cameron — was a woman. But there was another interesting fact about the super-fit, super-charged director which did not hit the headlines. She is 58 — an age at which many employers expect their staff to gently wind down in preparation for retirement.

Bigelow is not the only high-profile, high-achiever to defy stereotypes about age. The creative energy of people who are well over 35 is highly valued in the business world as well. Love him or hate him, 79-year-old Rupert Murdoch is still one of the most influential players in the global media market. The Australian magnate — current net-worth a reported \$4 billion — has recently announced that he will be delaying his retirement. He was planning to step down on his 100th birthday, but has now decided he will be too busy.

There is no doubt that developed nations are facing a demographic time bomb. According to the Office for National Statistics, over the last 25 years the percentage of the UK population aged 65 and over increased from 15% in 1983 to 16% in 2008, an increase of 1.5m people in this age group. Over the same period, the percentage of the population aged 16 and under decreased from 21% to 19%. This trend is projected to continue. By 2033, 23% of the population will be aged 65 and over compared to 18% aged 16 or younger. Figures from the US Census Bureau are even more pronounced — it estimates that 20% of its population will be over the age of 65 by 2050, compared with just 12% in 2007.

What then are we to make of the way that older people are treated by employers, and by society at large? They may not all be Hollywood film directors or international entrepreneurs, but it is fair to suggest that they have much to offer the workplace. However, there is evidence that, far from benefiting from the skills and experience of older workers, employers still see them as dispensable.

Many countries have taken steps to raise the default retirement age (DRA) in recent years, with most planning to eventually set the DRA at 65 for men and women. The tensions between employees' rights and national economics, though, are clearly illustrated in the UK, where the DRA is currently 65 for men and 60 for women, lower than it was three decades ago when life expectancy was shorter. The charity Age UK says that use of the DRA has "spiralled out of control" as employers rely on the legislation to force older workers into retirement. Age UK's survey of just under 1000 60- to 70-year-olds found that 24% knew someone who had been made to retire at or after 65, and the charity has challenged the main political parties to commit to scrapping forced retirement legislation. Whether it will succeed is another

“ ”

A combination of approaches is needed, and different groups need to work collectively on this. This is not about forcing people to work for longer, it is about giving them the chance to do this if they want to.

question, as the looming black hole in the nation's finances is impossible to ignore, and one obvious way of reducing pension costs and boosting the nation's coffers is to extend working life.

PricewaterhouseCoopers has set out this issue in a new report, *Working longer, living better: A fiscal and social imperative*. The report points out that legislation now in place to increase the State pension age to 68 by 2046 will help. This will reduce net pension spending, and boost tax revenues. But it also asks whether the pension age should be increased still further — and whether this change should be made more quickly.

There are certainly strong arguments in favour of a more radical approach. There is evidence that working longer has a positive effect on health. And of course older people are an important talent pool for employers. While not all older people will be healthy enough to work, the majority of us will enjoy good health well into our 70s. PwC estimates that raising the UK State retirement age to 70 instead of 68 by 2046 will have a net value of around £9 billion to the exchequer.

“There are two different global trends here,” says PwC director Chris Dobson. “Life expectancy has increased by five years for men and four years for women since 1991. And baby boomers are coming up for retirement. They have been swelling the ranks of the employed for the last couple of decades, and now they will be swelling the ranks of the retired.”

Working longer may seem like a logical response to these demographic trends, but this doesn't mean this will be a simple process, Dobson points out. “A combination of approaches is needed, and different groups need to

Beyond Generation Y

Sally O'Reilly



work collectively on this. For instance, senior HR managers need to make sure that the right policies and pension schemes are in place, and financial organisations need to ensure that their products are flexible enough for older workers. This is not about forcing people to work for longer, it is about giving them the chance to do this if they want to.”

Rachel Kryz, campaign director of the Employers Forum on Age (EFA) agrees that HR needs to take a more flexible approach, but believes that shifting the corporate perception of older staff is a serious challenge. “Age should not be used as a blunt tool to categorise people,” she says. “There are life stages that tend to happen, but these do not apply to all employees. You should build your employment model around the people who work for you, rather than expecting people to shoehorn themselves into organisations that were designed for men in pinstriped suits.”

When different age groups work together, the effect can be extremely positive. McDonalds has done some interesting work on this. It found that when 400 of its restaurants took on just one person aged over 60, maybe just a couple of shifts a week, the restaurants improved in terms of customer service, cleanliness and efficiency.

Employers need to have sophisticated ways of looking at what people are capable of doing. This is a diversity issue, and prejudices do not help. Some senior managers fear there will be friction between older and younger staff. In fact, those who have experimented with mixed-age teams have found the opposite: they work both harmoniously and productively. “When different age groups work together, the effect can be extremely positive,” says Kryz. “For example, McDonalds has done some interesting work on this. It found that when 400 of its restaurants took on just one person aged over 60, maybe just a couple of shifts a week, the restaurants improved in terms of customer service, cleanliness and efficiency.”

Kryz and her colleagues suggest that this may be the result of the “family atmosphere” of such groups. The presence of older people, even part-time workers, encourages younger people to put in more effort, while younger staff may help older colleagues understand the mind-set of people from a younger generation. Indeed, encouraging collaboration between different age groups has proved so successful that some firms are now integrating cross-generational working into their mentoring strategies. And instead of expecting senior staff to lead the way, junior staff are mentoring more senior colleagues in “reverse mentoring” schemes.

One example is a pilot scheme at media company Reuters America, in which employees from diverse backgrounds served as mentors to a number of senior managers. Each pair met for an hour a month for six months, to discuss any topic they liked, as long as it was related to diversity. The junior mentor was responsible for scheduling the meetings, choosing the topic and leading the discussion.

A similar scheme is embedded into the mentoring scheme at US electronics multinational Cisco. The organisation encourages staff to identify their own mentor, and has a website with best practice advice and information about the scheme. Cisco's "reverse mentoring scheme" invites junior staff to mentor senior managers in a structured programme lasting for three to six months.

This open, creative approach to developing and sharing the skills and talents of senior — and therefore older — staff is vital if we are to see ageing treated differently at work, and ultimately keep staff in post for longer.

"One of the biggest challenges is taking the fear out of getting older at work," says Fiona Dent, director of executive education at Ashridge Business School. "People see younger colleagues getting plum jobs, and they worry that they are now seen as being over the hill. Staff need to be positive and open to change, and get away from the feeling that they will be judged because they are getting older."

This benefits individuals who want to see their career develop and flourish over the full span of their employment life, but it also benefits organisations who can retain access to the considerable experience of senior staff, some of whom may have highly specialist knowledge. Such people can add value to an organisation when they are well over retirement age. One associate at Ashridge is still podcasting and writing book reviews in his 90s.

Dent says that HR staff should rethink talent management planning in these terms. "As it is, many schemes tend to apply to a certain group of younger, high potential employees," she stresses. "But talent management should include everyone in an organisation — the person working in reception and the older staff as well." If your organisation is going to excel, every member of staff needs to excel, no matter what their age or level of seniority.

"It annoys me that we tend to forget about older talent," says Dent. "What do people do in their later career? How do you plan your career when you may not need to earn as much, and you may not want to work such long hours, but you still want to be engaged by what you are doing? Organisations need to be able to help people to think this through."

“

One of the biggest challenges is taking the fear out of getting older at work. People see younger colleagues getting plum jobs, and they worry that they are now seen as being over the hill. Staff need to be positive and open to change, and get away from the feeling that they will be judged because they are getting older.

”

Employers do need to focus their attention on this issue. While older people have a lot to offer, bringing in flexible retirement and developing the careers of older people is not a simple matter. Issues such as health and sick leave have to be addressed. As people get older, they are statistically likely to take fewer odd days off sick, but they are more at risk of developing serious longer term health problems.

"The solution is to have a mixed-age workforce, and to give people flexible working arrangements that are relevant to younger people with families and older people who may have other caring responsibilities," says Helen Barnes, principle research fellow at the Institute for Employment Studies. "People want different sorts of flexibility at different stages of their lives. The key is to ask people what they want, and find out what their different work preferences are, rather than assuming that you know what people want because of their age."

And one final point: once you have developed a brilliant, age-positive employment policy, do not be modest about it. Make sure that all your employees know about it, understand it, and realise that they can benefit from it. Because one thing is certain about age: it comes to us all.

topic

HRD profile

author

James Ashton

It was a window

Microsoft's UK HR director joined the organisation during one of the most challenging years the company has ever faced. But, says Sarah Fisher, the software giant was careful never to compromise its distinctive corporate culture.

10



of opportunity

When Sarah Fisher joined Microsoft in late 2008, the computing giant was heading into uncharted territory. Previously, the role of UK human resources director was all about recruitment and retention. Microsoft prided itself on sourcing the best talent, grooming it and then promoting through the ranks. But as the global recession deepened, something unusual was about to strike Microsoft: the spectre of redundancy.

“2009 was one of the most challenging years the company has ever had to face, particularly from a people perspective,” Fisher said. “I joined at the time when the UK economy went into crisis mode. Clearly Microsoft was impacted as well.”

The number that departed was small, but it was clearly significant to Microsoft’s 2800-strong UK workforce, which markets everything from Xbox games consoles, to the Bing search engine and the Word, Excel and PowerPoint programs. For those who stayed behind, there was also a global pay freeze to contend with. “It was important to me that we handled those redundancies professionally and sensitively, but equally important were the individuals who remained with the company,” added Fisher.

Now that Britain is slowly beginning to exit the recession, the outlook is brighter, although fears of a double-dip downturn still linger. Not surprisingly, though, morale at Microsoft had been dented by events of the last year. To address this, Fisher devised a three-point plan that marked out engagement with its staff as crucial. “It is fair to say it has always been a top priority,” Fisher added. “But putting things into the context of the impact of last year it became critical that we maintained it. And to maintain it you have to put an even greater level of focus on making sure that we are doing the right thing across the entire organisation.”

The key tenets of the plan were: take care — of customers, partners and the community at large; take share — by growing the market for its services; and most importantly, take pride — in Microsoft’s people, innovation and being a desirable employer. The plan has been carried out via a range of initiatives, maximising business opportunities to make people feel great about the company. That might be a product launch or carving out time with visiting business leaders from within the group so that employees can interact with them and hear their perspective on life.

It is something that has touched the business at all levels. Fisher has invested a lot in developing the manager community, with tailored leadership programmes and speaker sessions to encourage creative thinking. Microsoft’s community commitment has also been played up. The company gives additional leave days to anyone who wants to do voluntary work. If an individual raises money for charity, Microsoft will typically match it. Details

“

Microsoft is incredibly flexible at using its technology and tools to support different working patterns. There is a culture of how and where you get the job done can be flexed to meet the needs of individuals, to a certain extent. That is pretty rare in my view.

”

like this contribute to a distinctive company culture that was one of the first things to strike Fisher when she arrived.

“Microsoft is incredibly flexible at using its technology and tools to support different working patterns,” she said. “There is a culture of how and where you get the job done can be flexed to meet the needs of individuals, to a certain extent. That is pretty rare in my view.”

Flexibility is also a byword for the software and services that Microsoft sells. Built up over 35 years, with a near-monopoly in computer operating systems thanks to Windows, the computing giant must prove it can keep pace with opposition in a market place that is changing fast. The advent of cloud computing — the trend for distributing cheap or free applications on the web but charging to host them for customers on remote servers — promises to shake-up Microsoft’s business model. Google has already eclipsed it in Internet search and is now eyeing a share of the business market with free applications such as Gmail.

While it defends its legacy business, Microsoft must show customers that it can innovate in the online arena, with new additions such as Azure, an operating system that allows professional developers to work on new applications, and SharePoint, a service that allows numerous employees to work on a document simultaneously from wherever they are in the world.



Sarah Fisher

Sarah Fisher joined Microsoft in October 2008 from Toyota GB where she was the director of HR and environmental strategy. She spent six and a half years at the Japanese car maker. For four of those, she also managed customer relations and customer satisfaction.

“It was a great operational experience. I think it has provided an edge in the way that I view the HR work that I do because I am always viewing things through the eyes of the customer and ensuring that we get it right from that angle.”

Fisher joined ICL as a graduate HR trainee and later moved to Siemens Business Services as HR director. There, she became a founding director of a new subsidiary that was focused on IT and business outsourcing. She lives near Petersfield in Hampshire with her partner.

Qualifications: Fisher has a BA in English Literature from Southampton University. She is a Fellow of the Chartered Institute of Personnel and Development.

Specialisms: “My experience is as a generalist — I wouldn’t say it was one particular area. Anybody who has worked in the world of outsourcing for as long as I did has to cover a whole gamut of issues whether that is sales, compensation and benefits, culture change, the works.”

Microsoft®

Although it has a research and development arm in Cambridge, Microsoft UK is chiefly about the sales, marketing and services that are delivered consistently across the globe. Fisher says that uniformity is matched in HR, and is a key benefit. “It is the only company I have come across so far that has truly integrated global HR processes, tools and systems,” she said. “So wherever you go in Microsoft you have the same approach to the people agenda. That is very powerful and it aids movement around the business. It provides the consistency and cohesion that binds the company together.”

Opening up job opportunities across the world encourages people to develop within the group. It is no surprise that staff retention rates are high. “Our talent is our lifeblood and something we need to encourage,” added Fisher. She claims it is possible for a member of staff to fulfil a regional or even global role from a number of countries, instead of being based in the US or UK. But she is careful to say that the company does not rest on its laurels in hunting out new recruits.

“The Microsoft brand is obviously attractive. We have very definitely opted for a strategy of talent mapping and sourcing out there in the market to see where the great talent is.” A key plank of Microsoft’s recruitment programme is Mach — the Microsoft Academy for College Hires. Last year it accepted 12 graduate recruits in the UK, part of a 142-strong intake globally. Not surprisingly, that number fell last year, but is on the rise again as the economy improves. “The graduates are a source of future leadership for the organisation,” Fisher said. Mach was already well established when Fisher arrived. “My focus has been very much an ethos of continuous improvement, looking at the ways in which we can take it to the next level.”

Mach is one of the most popular graduate schemes in Britain, attracting 3000 applicants for a handful of £26,000 a year jobs. The prize is an opportunity for the newcomers to network their way around Microsoft’s renowned flat management structure, almost as if they are incentivised to hunt out new projects to sink their teeth into.

There are some residential induction courses, held in Seattle and Portugal, but Mach is mostly on-the-job training. For example, a graduate technical support engineer might start work by being handed a laptop, mobile phone and list of clients and told to get cracking.



It helps if they began life as one of 80 Microsoft interns, starting on £14,500, which tends to give Mach applicants a head start. Then, if they are selected to come back to the Reading campus, they often pick up where they left off 12 months earlier. The Machs are encouraged to bond with each other, stay close and regularly meet up. During two years of training they get together at MGX, Microsoft's annual global conference in America, at a four-day winter school and at graduation.

Internally, they are labelled according to the year they began, making this year's intake Mach 10. And afterwards, the cream of the crop are put onto a high performance programme, ensuring the continuity that makes Gordon Frazer, Microsoft UK's managing director, think that tomorrow's executives could easily be promoted up from the Mach programme.

“ It is the only company I have come across so far that has truly integrated global HR processes, tools and systems. So wherever you go in Microsoft you have the same approach to the people agenda. It provides the consistency and cohesion that binds the company together. ”

As part of Mach and other programmes, Fisher made diversity an early imperative. She is proud to have moved the needle on the ratio of females to males in the business — an achievement in a traditionally male-dominated industry. “It is about getting the right person, but also making sure we find out who is out there in the wider market place who could join our organisation and make a significant contribution,” she said.

Fisher reports in to Lisa Brummel, Microsoft's senior vice-president for human resources, who is based in the company's global headquarters in Seattle. She visits four or five times a year. There is also a monthly conference call with her peers around the world, as well as face-to-face meetings “to really ensure that we are aligned and share best practice”. She also reports in to Gordon Frazer. “The people strategy in any business should really be at the core of any organisation and it absolutely needs to be led from the top,” Fisher said. “That is where you get real engagement and where you can drive for results. Gordon is completely aligned to the requirements for that.”

As she looks back on a tough 2009, Fisher says that one thing points to how important Microsoft views staff training and development: its budget never came close to being cut. “We looked at other areas to manage cost, whether that was travel budgets or something else,” she said. “But there was never any view that we would cut core things that we see as integral to this company's culture.”

topic

author

Retention

Phillip Smith

Stemming the ta

As the recession begins to recede, many businesses will be faced with a new threat as their top performers ride the crest of a new recruitment wave. How can companies prevent their talent being swept away?

14



lent tide

With the end of the recession comes good and bad news. The good news is that economies around Europe and the rest of the world are beginning to see a return to growth, less uncertainty and greater financial stability. The bad news, particularly for HR professionals, is that the increase in economic activity will inevitably lead to a resumption in the war for talent.

While many of the best performers have kept their heads down during the recession, working hard to ensure the survival of their organisation, now is the time they will start to explore whether there are better career opportunities elsewhere. “The war for talent has not diminished but has become more complex,” warns Richard Phelps, partner and human resource management leader at PricewaterhouseCoopers. “Organisations are more discerning in searching out individuals who have performed well in the recession and can, at the more senior levels, grow revenues but also add value at the operational level, where necessary. Many of those individuals now actively looking for positions may not have performed well and many of those who have performed well will likely be more difficult to lure away at reasonable value.”

The flip side is that the inevitable pay freezes and bonus reductions that accompanied the downturn will have focused the minds of many individuals looking to boost their earning potential. As they see the first signs of recovery they will not want to miss the tide and see their reward packages left high and dry while others reap the benefit of an improving economy. As Phelps says: “Pay freezes have been commonplace, with total cash falling in many cases, while many employees are also facing the prospect of paying higher taxes. Coupled with this is the requirement by most employers to deliver more with less staff which has led to longer hours for many, sometimes with less pay.”

According to Hays Senior Finance recruitment consultant Teresa Thorrington-Allen, there has been a good deal of frustration over pay. “Having said that,” she adds, “there are not that many companies that are opening up their cheque books right now. There are lots of large companies that want to hire the best, but they are not necessarily offering any more money than their competitors.” However, Thorrington-Allen has seen the return of counter offers in small and medium-sized companies.

But it is not just reward packages that have suffered. According to Phelps, reduced revenue growth has reduced promotion prospects for many, and there has generally been less money available for development and training, with the result that some staff have not had as many opportunities to develop their skills or broaden experience levels. Most organisations have also cut back hospitality budgets — for example, festive celebrations or away days, which is another way employers have traditionally thanked employees and built teams.

“ ”

Availability of talented staff ranks third overall as a driver of growth, behind only economic recovery and credit availability.

”

However, according to an Economist Intelligence Unit/StepStone survey, increasing business confidence is reflected in hiring expectations, with half of respondents saying their organisation would be hiring for new jobs and existing positions in the next 12 months. This is pushing talent up the corporate agenda, as the survey found that the availability of talented staff ranks third overall as a driver of growth according to 41% of respondents, behind only economic recovery and credit availability. The figure rises to 51% among executives from Asia-Pacific, and 53% among those in Eastern Europe. In the Middle East and Africa talent is seen as the number one driver of growth, selected by 62% of respondents.

So it will come as no surprise that staff are now beginning to look elsewhere. In fact, according to research carried out by PwC earlier this year, a third of UK employees say they have not felt valued by their employer during the recession and would leave for another job if they could. The research did, however, reveal some good news. Of those respondents who said their employer had shown appreciation for them in the downturn, 41% said they had no plans to leave as a consequence of this loyalty, while just 23% said they would consider leaving regardless.

Engaging with staff, and showing appreciation for their work during the recent tough times, has clearly paid dividends. “In terms of non-cash incentives it is critical that business leaders are seen to be regularly engaging, communicating and thanking staff for good results and efforts,” says Phelps. “As the long-term impact of people decisions taken during the downturn begins to be felt, the winners and losers of the war for talent are starting to reveal themselves — with those who continued to focus on investment and employee engagement emerging as clear leaders. Those who continued to offer their employees new opportunities and invested in their people pipeline are now at a competitive advantage.”

So if you want to be on the winning side of the war for talent and not swept away by a tide of departing employees, what steps can you take? The

topic

author

Retention

Phillip Smith



Chartered Institute of Personnel and Development (CIPD) says it is important that employers have an understanding of their rates of labour turnover and how they affect the organisation's performance and ability to achieve their strategic goals. Depending on the size of the business, an appreciation of the levels of turnover across occupations, locations and particular groups of employees, such as identified high performers, can help inform a comprehensive resourcing strategy. Measuring the costs of employee turnover is vital in building the business case for effective recruitment and retention initiatives. In particular, the CIPD argues, these costings can be a powerful tool for winning line manager and board-level support for resourcing activities.

Among many recommendations, the CIPD suggests that career development and progression should be maximised, that line managers could be made accountable for staff turnover, and that you should defend your own organisation against penetration by headhunters and others seeking to poach your staff. But this is easier said than done, and employers can often fail to understand the needs of the individual.

"All development programmes must be directly relevant to the employees' career and personal development needs for it to have maximum impact on engagement," says Phelps. "Many employers fall down by not correctly identifying individual development needs and mapping these to their job roles and prospects. Big sums can be saved and better value achieved from training simply by ensuring the right people are going on through the programme and that what's available is designed appropriately to meet needs."

According to Phelps, the more forward-looking employers have continued to invest for the future in recruiting graduates and other key talent as well as training. The common theme has been a review of which development programmes are critical for developing staff, with a focus on improving the content and results of these programmes, while less essential development programmes have been dropped.

However, Dr Mark Batey, co-director of psychometrics at the work research group of the Manchester Business School, has identified several constraints that can block such career management, the most important of which is a lack of line management involvement at a senior level. Following research with HR directors, Batey says that it was felt that senior managers not only lacked the training to provide support to individual employees, they were, ironically, often unskilled in managing their own careers.

"In addition, a short-term focus on tangible results and a strong performance-orientation meant that managers were keen to keep their best people and were, thus, unlikely to encourage career management or promote people out

“

Many employers fall down by not correctly identifying individual development needs and mapping these to their job roles and prospects. Big sums can be saved and better value achieved from training simply by ensuring the right people are going on through the programme and that what's available is designed appropriately to meet needs.

”

of their teams," Batey says. Such restrictions inevitably lead to frustrations, which inevitably will lead to some employees walking.

"Ensure the people manager for the individual is a competent people manager," urges Phelps. "They should have had recent development conversations and communicated their short and medium career path opportunities and/or ensured individual aspirations are understood and being addressed, if appropriate, by the organisation." Phelps also suggests that influential individuals who are not the people manager should be spending time with talented individuals to coach and mentor them.

Organisations should also ensure that, while recognising the importance of their talent, they do not tolerate under-performance, as this can have a detrimental effect on those who are putting in the extra miles. Mediocre or poor performers are seen to be dealt with appropriately otherwise talented performers see their efforts and talents as unrewarded. But sometimes, it can come down to simple words. "The most important thing right now is to say and demonstrate 'thank you'," says Clive Davis, a director at Robert Half International, the recruitment consultancy. "Simple as that is, companies should stop for a minute and think 'did we do that, have we checked to see whether the message was received in the way that we wanted?'; that is the most important thing."

Learning to live to

Nomura's ground-breaking diversity and inclusion programme has already brought great benefits to the organisation, says its head of diversity. But the ultimate measure of success will be if it eventually puts him out of a job.

18



gether

With 26,000 employees from over 70 nationalities, the banking group Nomura is understandably focused on matters of diversity and inclusion. Hayden Majejas, head of diversity and inclusion for Nomura in Asia-Pacific, is helping to ensure all the bank's individuals can develop a shared cultural understanding while appreciating the strength that lies in each other's differences.

Based in Hong Kong, Majejas covers 13 different countries in the Asia-Pacific region, where Nomura employs over 15,000 people. Having numerous nationalities represented in the firm is a great strength, he believes. "That's a unique selling point for us," he says. "We have clients who want to know how Nomura can serve them and innovate. We can only do that through embracing diversity."

Majejas stresses that Nomura's goal is the development of all of its employees. "Nomura's constant focus is on developing a fully-inclusive working environment where all employees, regardless of their background, can, and do, perform at their best," he says. "This globally competent workforce translates to being able to service clients better, be more innovative and continue to deliver results."

Nomura's appointment in March this year of Jesse Bhattal as the president and chief operating officer of a new wholesale division, encompassing the bank's global markets and investment banking operations, reinforced the organisation's commitment to diversity and inclusion (D&I) and to putting the right people in the right positions regardless of their nationality or background. Indian-born Bhattal, previously Nomura's Asia chairman, also joins the firm's executive management board, becoming the first foreigner to do so. "I was in Tokyo when the news came out," Majejas says. "There is a lot of excitement."

Majejas is an eloquent exponent of the importance of diversity and inclusion. He doesn't classify it as a policy or an initiative, but says: "D&I is integral to the way we do business. Actually, it is the way we do business. In order to fully maximise the capability and potential of our dynamic teams we need to help our employees enhance their understanding and appreciation for the firm's culture and values, and for each other's individual skills, differences and communication styles. D&I supports these ambitions."

Paying attention to D&I is not new for Nomura, Majejas notes. "For many years we have had dedicated teams focused on human rights, a team dedicated to women's career support, and extensive resources as well as support for disability, work-life balance and family issues, to name a few." Last year the focus intensified, however, with the creation of regional offices of Diversity and Inclusion, one covering Asia-Pacific, which Majejas heads,

“
”

What is most interesting to see come out of these programmes is how quickly people overcome their biases by doing something that seems so simple, but can often be quite difficult — communicating.

and another based in London to cover Europe, the Middle East and Africa. The firm is currently looking at how best to establish or resource a D&I office for the US as well. "There is a consistent global approach to diversity and inclusion with local ownership and delivery," Majejas says. "The global D&I team works together to ensure, where practical, that we are developing global solutions."

Nomura has been experiencing considerable change in recent years. In 2008, it acquired Lehman Brothers' operations in Asia Pacific and part of its European business. "Nobody else in the world is doing what we are doing — bringing together two quite distinct businesses with quite distinct cultures," Majejas says. He was himself a Lehman employee, working in a diversity role. After the acquisition he began looking at how to combine the D&I best practices of the two organisations — "how we could bring everything together under one roof", which ultimately led to the formalisation of his role in Asia-Pacific in 2009.

Last year saw another significant D&I achievement, with the rolling out of a diversity and inclusion training programme for staff in Nomura's wholesale business across four offices in Asia — in Tokyo, Hong Kong, Singapore and Seoul. Over half Nomura's 5000 plus Asia-Pacific employees in the wholesale division participated in the programme, which was designed to support the development of a single culture within the organisation — "enhancing the ability of our businesses to meet the demands of integration and enabling our workforce to effectively work together toward a common purpose", Majejas explains.



The training was designed to be highly interactive and theatre-style. “We found that complex issues are better addressed through interaction, rather than through instruction — and for the majority of employees this format of training was new,” Majejas says. Scenarios reflecting issues in the industry were re-enacted by professional actors, covering topics that “stir thought and emotion”, including gender, hierarchy, cultural sensitivity, harassment, biases, language and styles. “A facilitator then guided the interactive segment, allowing a safe, but vigorous dialogue and helping participants raise their own awareness,” Majejas says. “Employees were helped to find resolutions to the issues they face, rather than being handed a guidebook of best practices.”

Majejas was surprised by how involved and engaged participants became. “I have been part of many training programmes in Asia,” he says. “Depending which country you are in, it can be extremely difficult to get people to talk up and to elicit frank opinions. But we were all blown away — when it came to the session where people gave comments and suggestions, we were inundated.”

“Realising that language was one of the key diversity issues being faced in our workplaces, for half of the sessions we ran the entire programme with simultaneous interpretation,” Majejas adds. “It was absolutely fascinating to see an English speaker, for example, standing face-to-face with a non-English speaker and having a seamless conversation about how certain actions and behaviours affect the way they work. What is most interesting to see come out of these programmes is how quickly people overcome their biases by doing something that seems so simple, but can often be quite difficult — communicating.”

One way to encourage communication is through employee networks. “Nomura is a very strong supporter of employee networks,” Majejas says. 2009 saw the launch of WIN — the Women in Nomura network. “The network was launched in Hong Kong, with live video links to other offices,” Majejas says. “Several hundred employees participated around the Asia-Pacific region. You could see that in each office there were around 50% men and 50% women. Men play an important role in women’s careers and the network is inclusive of all employees — men and women.” This year a network based on sexual orientation is to be launched in the region, while a third network looking at family and work-life balance issues is also in the pipeline.

“Especially over the last 18 months, it has been a difficult time for many people in financial services,” Majejas notes. “A lot of people are re-evaluating what their career means to them, what time spent with family means to them.” The creation of the family and work-life balance network is a direct response to the frequency with which employees have identified this issue as one of the biggest they face in financial services. “We have ongoing discussions about other potential networks,” Majejas adds. Disability, culture, language, age, race and ethnicity are some of the other areas the D&I teams are looking at.



Those promoting diversity and inclusion within organisations will sometimes encounter barriers. As Majejas notes, senior management buy-in and support is key to supporting diversity. “While there will always be those who simply ‘get it’, more often than not you need to build a business case,” he says. “As with any product in financial services, working with senior management to show the value D&I can add to the bottom line is an important part of my work.”

That business case could focus on reduced recruitment costs due to lower attrition rates, or on the greater ability to meet specific client demands. “In our Japanese retail business, we have a group that prepares marketing material and provides financial counselling for female clients specifically. They understand that female clients may have different needs from male clients. So it is not impossible to link diversity to the bottom line.”

Majejas also refers to some of the firm’s recruitment activity which is relatively low cost but can improve diversity. “We are actively reaching out to gay and lesbian students on campus as part of our overall recruitment drive,” he notes. Women-only interview sessions are also organised with the aim of attracting the best talent from the broadest talent pools. “The costs associated with those activities are tiny in terms of the percentage of one person’s annual salary — less than 1%. The costs speak for themselves.”

D&I success is measured in various ways, Majejas notes. “Metrics and data analytics are crucial to diversity and inclusion, and even more so in an industry where numbers are our business. Some of the key indicators we look at are hiring and attrition data, and certainly the numbers help in directing our recruiting and development programmes. We look at employee engagement levels, but the biggest indicators are not just the numbers of employees participating in programmes and activities, but the number of employees

“

While there will always be those who simply ‘get it’, more often than not you need to build a business case. As with any product in financial services, working with senior management to show the value diversity and inclusion can add to the bottom line is an important part of my work.

”

driving them.” In Asia-Pacific last year there were over 100 diversity and inclusion programmes and activities, attended by a total of 11,000 participants. “Some attended three, four, five or even ten,” Majejas notes. “That speaks for itself in terms of the level of interest.”

There is no doubt that Nomura is putting a lot of energy into D&I, but Majejas says: “We still have a long way to go. Many of my peers in D&I often comment that our ultimate goal is to put ourselves out of a job — a lofty goal — where eventually there are no diversity issues in the workplace. Closer to immediate reality, our aspirations are that Nomura is recognised in all our markets as an employer of choice. Nomura’s performance on diversity and inclusion is congruent with our market performance and aspirations as a top-tier global investment bank.”

Majejas is enjoying the challenges his role brings. “Diversity and inclusion is one of those areas that can bring great reward,” he says. “It’s about adding value to the firm both in terms of brand and image, as well as more literally in translating diversity programmes and activities into continued business success. The diversity team is here to support the business, but at the same time is trying to make sure we create an environment that is inclusive of everybody. And, as with all HR roles, being able to connect and engage with employees is where a lot of the joy lies.”

topic

author

Financial services

Mick James

Tired of London?

After years as one of the major financial centres in the world, there are fears that the UK tax system could drive many financial services firms overseas. Is London's star on the wane?

22



“The man who is tired of London is tired of life”. That may have been true in Dr Johnson’s day, but today’s Londoner might retort that he or she was tired not so much of London but of tube travel, high prices, burdensome regulation and rising taxation. With increasing competition from lower tax regimes such as Switzerland, and the growth of new financial centres in the East, is London’s star finally on the wane?

In January, London’s Mayor, Boris Johnson (no relation) summed up the City’s fears in an open letter to then Chancellor of the Exchequer, Alistair Darling, in which he called the Government’s attitude to the financial services sector “ill-judged”.

“You have made unilateral changes to taxation that risk damaging London’s competitiveness and its status, alongside New York, as the world’s leading financial services centre,” Johnson thundered, complaining that both the 50p income tax rate and the bankers’ payroll tax would “fall disproportionately on London”. Together with “ill-thought-out” European regulation, “these represent a clear and present economic threat to London.”

Johnson claimed that “leaders of several institutions” had told him that as a result, they were re-thinking plans to locate, grow or remain in London, and that many more might choose to re-locate key functions and personnel in other places around the world perceived to be more welcoming. Altogether Johnson estimated that around 9,000 staff in total might leave the UK.

However, it seems that the Mayor’s fears were premature and the rumoured exodus is not yet taking place. HSBC Group chief executive Michael Geoghegan may have relocated to Hong Kong this year, but the move is largely symbolic to reflect the strategic importance of the region to what is, after all, the Hong Kong and Shanghai Bank. Geoghegan will still spend 30% of his time in the UK and the HSBC Group’s headquarters will remain in Canary Wharf in London’s Docklands. Indeed Songbird Estates, the owners of Canary Wharf, recently announced a return to profit: “No bank has left Canary Wharf,” Songbird’s chairman David Pritchard told *The Independent* newspaper. “London as a centre has a lot of strength: it is very much alive and kicking.”

Part of the reason executive class to Geneva is not packed with disgruntled bankers may have something to do with the recent ruling in the *Gaines-Cooper vs HMRC* court case, in which an entrepreneur who spent fewer than 91 days in the country was still deemed to be liable for UK tax because “the centre of gravity of his life and interests” were still here. Broker Tullet Prebon, which had previously been widely reported as saying that it might move up to 950 of its staff to Switzerland in the light of the ruling, now said this was far less likely as a result, and in fact applications from British nationals for

There is still much that London can do to improve its welcome. Efforts are being made to improve London’s performance in ‘business tourism’ — the globe-trotting conferences that are particularly appealing to vacation-starved executives from the US and Japan.

Swiss residence have fallen in the past year. And with President Obama’s insurance levy on banks, and the growing support among the G20 nations for a “Robin Hood” tax on currency transactions, Britain is now seen as less of a unilateralist in its crackdown on banking “excess”.

Of course this does not mean London is out of the woods, as John Attree, Director of Skills and Olympics at London First, which represents the capital’s leading employers and educational institutions, points out: “Tax issues are like oil tankers, they take a long time to turn round — it makes London a certain percentage less attractive,” he says. He points out that many foreigners working in the City will not be paid in sterling and will therefore have benefited from recent exchange rate movements. What concerns him more is the hardening of attitudes to immigration across all the major parties in the UK in the run-up to the General Election and the message that sends out. “As far as London is concerned the reputational impact of an immigration cap would be very damaging,” he says. “It would spell out the message that foreigners aren’t welcome.”

That in turn, he argues, would make London less competitive. “If you can’t bring in people with the right talent, particularly for professional services, then that’s particularly bad for lawyers, accountants and financial services,” he says. “Our technology-based companies also need to be able to bring in people as and when business demands.”



The top European business destinations

According to European Cities Monitor, produced annually by commercial real estate brokers and consultants Cushman & Wakefield's, London remains the number one destination for business, streets ahead of its nearest rivals Paris and Frankfurt.

Both Geneva, widely touted as the bankers' destination of choice, and Dusseldorf, which two years ago was supposed to be luring Japanese companies away from London, are outside the top 10.

According to the survey, the essential factors for locating a business are:

- easy access to markets, customers or clients
- availability of qualified staff
- quality of telecommunications
- transport links with other cities and internationally.

London is ranked number one in all these

areas, while the areas where it scores most poorly — cost of staff (28th), value for money of office space (23rd) and freedom from pollution (29th) are not considered significant enough to affect its ranking.

Contrary to national and local stereotypes, London is also considered the best city in terms of ease of getting around and languages spoken, and is considered second only to Barcelona as the city that has done most to improve itself.

European city rankings 2009: The top ten

City	Rank	Score
London	1	0.85
Paris	2	0.56
Frankfurt	3	0.33
Barcelona	4	0.28
Brussels	5	0.28
Madrid	6	0.23
Munich	7	0.21
Amsterdam	8	0.20
Berlin	9	0.18
Milan	10	0.15

The impact of London's reputation as a welcoming place for foreigners stretches beyond the financial sector. With over 90,000 overseas students, London is home to more international students than any other city, comfortably ahead of its main rivals New York and Sydney. "Most universities in London would close down without those big cohorts of fee-paying students," says Attree.

Whatever messages national government sends out there is still much that London can do to improve its welcome. Efforts are being made to improve London's performance in "business tourism"— the globe-trotting conferences that are particularly appealing to vacation-starved executives from the US and Japan. This has recently taken a step forward with the opening of new conference facilities at ExCel in Docklands, but the need is for a package which

provides the best “civic welcome”, including everything from a handshake from the Mayor to a package of travel concessions. “If you get it right there’s a huge payoff,” says Attree. “We recently played host to 11,000 gastric surgeons.”

Attracting visitors is one thing, getting business to come and stay is another. ThinkLondon is the capital’s “shopfront” for inward investment, and it has achieved notable successes in recent years. The Export-Import Bank of India (EXIM Bank) the government-owned body responsible for financing, facilitating and promoting foreign trade in India, recently relocated its European headquarters from Milan to London, after receiving advice and support from ThinkLondon.

But it is not just financial services players that see London as an attractive destination; ThinkLondon has identified three key sectors that will underpin London’s diversity as an employment destination. Digital communication is already well-represented in London, which reportedly has more wireless access points than any other city and holds the headquarters of 19 of the top 25 European software and IT service suppliers. It will receive a further boost from the ambition of the 2012 Olympic and Paralympic Games to be the first “digital games” in history, with suppliers being sought in areas such as information architecture, mapping, e-commerce and translation services. Life sciences and healthcare will continue to benefit from the presence of the NHS and the strategic reforms that are bringing it more into partnership with the commercial sector. Finally, London has the potential to become a centre for environmental technologies, which will receive a boost from the Mayor’s energy policy, and the ambition to make London the electric car capital of the world.

The key factor underpinning all these prospects is availability of skills, according to ThinkLondon chief executive Michael Charlton. “Talent is one of the key drivers of foreign direct investment over the next decade,” he says. “London’s research establishments and educational institutions are capable of attracting skilled staff and growing the next generation of talent. It will be essential for London to ensure the continuation of excellent training to assist in growing the talent pool and maintaining R&D activity into the future.”

Bill Haynes, CEO of recruitment and professional services group Verridian, says he has no doubt that London will remain a major centre for professional services, and confirms that he is seeing rapid growth in telecoms, the creative industries and the environmental sector. “We lead the world in product development, regulation and value for money,” he says. “English is still one of the dominant languages in commerce and that plays into the hands of the City. If you go to Canary Wharf you can see that the head offices remain here and even if they stop being head offices they will still recruit thousands and thousands of people,” he says.

English is still one of the dominant languages in commerce and that plays into the hands of the City. If you go to Canary Wharf you can see that the head offices remain here and even if they stop being head offices they will still recruit thousands and thousands of people.

But there are concerns. While London has the highest skills levels in the UK, there are also major gaps. Over 600,000 Londoners have no qualifications at all. “Some of the comments I hear about the quality of school-leavers and the large numbers of people leaving school with very basic qualifications do not augur well for those large numbers of back office roles,” warns Haynes. As chair of the Recruitment and Employment Confederation’s (REC) Accounting and Financial Services group he is trying to set up a project to create apprenticeships in financial services. “I’m already talking to three big financial services players looking at how to make this happen,” he says. “If I could get some more decent HR partners in there from the big organisations we could really work together with the REC to put together a decent apprenticeships scheme. If we can get agreement from people to do this we just need to put the component parts that already exist together in a logical manner.”

It is, says Haynes, “a big opportunity to do something proactive to ensure our financial services sector is still equipped to be a major employer in London and, for that matter, across the rest of the UK. We still have a worldwide reputation for innovation and success in the financial services industry — you can argue that we are perhaps overdependent on it but you can’t argue with the tax take that has come out of it — it is been the engine that has financed much of the growth of the UK.”

topic

author

Financial services

Ron Collard

The pursuit of gro

The financial services sector in Asia is growing quickly but, as many western organisations have found, HR will play a significant role in success in the region.

26





The year of the tiger saw the continued shift in global power towards the East — intense and fast growth has transformed Asia into a hotspot for financial services, especially for the banking industry. Most of the Asian banks came out of the global crisis — which reserved the worst of its effects for US and European banks — in pretty good shape. The long-term development of the Asia banking industry has been solidly underpinned by a number of social development drivers, such as the increased awareness of wealth management, the increased demand for financial services, acceleration of urbanisation and burgeoning class high net-worth investors.

In the *Chinese Bankers Survey 2009*, jointly produced by PricewaterhouseCoopers and the China Banking Association, bankers were confident of business growth and anticipate hiring in the future. Thirty seven per cent of the surveyed bankers expect that their total staff numbers will increase by 10% in the coming three years. The last six months have seen a number of global players aggressively entering various Asian markets, taking “bets” on their high earnings growth in the hope for quick “wins”.

But ambition in Asia is not for the faint-hearted. These emerging markets have different legal systems, cultures and motivations, as well as different political influences. Asia exemplifies the classic banking model, with high savings rates, low borrowing, a long-term view of business and an emphasis on the importance of long-standing personal relationships. As many banks who have sought to develop a presence in Asia have come to recognise, building these relationships and nurturing the business that flows from them requires people with patience, cultural insight and local market understanding. This applies to international players, regional players and domestic players alike. So what are the key people challenges for banks eyeing the new territories of the East?

Private banks are a key and growing part of the financial services industry. Many do not realise that despite their massive global revenue portfolios and successes, it is still a young and emerging area of financial services, especially in Asia. Along with that comes many challenges.

Redundancies, publicly tainted brands and sometimes forced acquisitions have taken their toll. There is a danger that as soon as recovery and confidence improves, client relationship managers will reassess their organisational commitment. There is already intense competition from organisations within emerging economies, and talent shortages are already being reported in India and China, driving up costs significantly in some cities with the much-publicised aggressive poaching tactics employed by some private banks. As a result, top management are increasingly engaging with their heads of HR to cope with the growing challenges of retaining talent, and to figure out to what extent their staff need help with increased demands for

“ ”

As many banks who have sought to develop a presence in Asia have come to recognise, building these relationships and nurturing the business that flows from them requires people with patience, cultural insight and local market understanding.

risk management, transparency, advice and aligning remuneration in the new environment.

According to the *PricewaterhouseCoopers Global Private Banking Survey 2009*, the demand for client relationship managers (CRMs) is expected to decrease by 17% in Asia-Pacific over the next two years, but the competition for top talent remains. And already there are signs this was over-pessimistic. Only 25% of CRMs have personal medium-term career and development plans in place with the average length of CRMs’ service being fewer than five years. Poor performance (35%) is the key factor for loss of clients but private banks also need to be mindful of talent retention (32%) of CRMs. What’s more, CRMs’ performance is still very much measured based on quantitative targets rather than client-centric indicators. Clients are most concerned about investment performance, but this is not a key performance indicator for CRM measurement.

Wealth managers need to ensure that they look after their CRMs to prevent an exodus of talent later. Even post-crisis, steps to engender a positive work environment and build greater loyalty to the organisation are critical for the longer term.

Investment banking revenue in the Asia-Pacific region reached a new high in the fourth quarter of 2010 as banks earned record fees advising firms on a burst of Initial Public Offering (IPO) activity and other share issuances. Overall Asia-Pacific investment banking revenue — which includes fees from equity and debt capital markets transactions as well as mergers and acquisitions —

topic

author

Financial services

Ron Collard



rose to US\$3.8 billion in Q4, based on data up to 18 December, exceeding the earlier record of US\$3.6 billion for Asia-Pacific banking in Q4 2006, according to Dealogic.

This new-found confidence among investors has benefited many financial centres in Asia, spurring renewed competition for new listings, dual listings and delistings on the Singapore, Hong Kong and Shanghai stock exchanges. We also see more multinational companies investing in and acquiring companies listed on various Asian stock exchanges, as they offer good entry points for those looking to have a base in Asia. While investors may be positive, HR leaders have to deal with a whole slew of integration issues relating to the people of the company.

HR is increasingly viewed as a strategic advisor to the main business, no longer just covering ordinary course transactions. HR needs to advise on growth and integration issues, juggle restructuring and changing personnel, negotiate complex reward packages, manage the transition of reward arrangements between entities, as well as be at the forefront of understanding significant changes in the policies and regulations of various Asian countries.

The main challenge for HR is to effectively align with the sometimes complex business model of the investment bank in order to support the business while it is operational. This may range from developing new people policies, procedures and analysis, to creating experience-based training programmes for top talent to meet the gaps in skills.

Corporate governance remains a sticky subject for banks in Asia, especially in countries like China where a majority of the banks are state-owned. About 44% of the surveyed bankers in the *China Bankers Survey 2009* said that the incentive systems provided by boards of directors to senior management are still in the early stages of development. About 39% of respondents believe the board of directors, the supervisory board and management are not sufficiently clear.

Asian retail banks in particular are starting to put in place systematic governance structures to effectively align governance and risk management through more effective board-level understanding, oversight and accountability. The key to this is good information and timely communication, backed up by training for non-executives and other board members who may not be sufficiently conversant with complex products and risk analysis.

However, “grey hair” or experience in international management is still lacking in Asia. As these domestic and regional players grow and become internationally active, they may not necessarily possess the international



savvy and leadership skills to grow the business in foreign uncharted waters. Some view secondments to Europe and the US as crucial in gaining experience and developing the informal networks required. They could also become a prize element of joint venture arrangements.

Rapid developments in the banking industry have transformed the make-up and function of HR in growing Asian banks. Never before have banks demanded more of their HR leaders. The role of HR continues to be scrutinised in terms of how it can add most value and operate as a business partner with the rest of the organisation. Truly, people can be an organisation's greatest asset or liability. The good news is that whether it is the former or the latter, is entirely within management's control.

Ron Collard is a partner with PricewaterhouseCoopers' Human Resource Services practice in Singapore

topic

Leadership

author

Jonathan Gifford

No template for a

History provides us with some great examples of leaders, but not necessarily with great role models.

30



great leader

A study of the great leaders from history reveals many interesting things. Among others, it shows that we are charmingly inconsistent in our definition of “greatness”. We have been rather preoccupied for a few thousand years with invasion and conquest; with empire-building and the defence of nations. As a result, generals tend to get rather higher billing than people like Martin Luther King. Emperors outrank Florence Nightingale. There are a lot more men in the history books than women. You are less likely to be thought of as a leader if you are a philosopher than if you are a career politician.

Julius Caesar, for example. Great leader. Marvellous chap. Led his army across a small river called the Rubicon in northern Italy, which was the border between Caesar’s territory, as Proconsul (governor) of Gaul, and the territory of Rome itself, thereby breaking the law (no Proconsul could bring an army into Rome) and effectively declaring civil war on his rival, Pompey, who had been determined to investigate certain “irregularities” that had arisen during Caesar’s earlier term as Consul. Caesar defeated Pompey and went on to become dictator of Rome. There was no particular stigma attached to the title of dictator at the time; it was an established Roman alternative to the usual rule by two Consuls. Caesar was finally assassinated by his fellow countrymen because of fears that he was becoming too king-like — the Roman republic did not mind a dictator, but hated a king. However, Caesar’s dictatorship paved the way for his chosen heir, Augustus, to emerge as a full-blown emperor, bringing to an end Rome’s experiment with democratic republican government.

We seem to acknowledge that founding a large empire is a good way to get your name into the history books. And, in corporate terms, I suppose we have not changed. Jack Welch, chairman and CEO of America’s General Electric Company, has gone down in history as the leader who grew the company from a market capitalisation of \$27 billion to \$140 billion, making GE the largest and most valuable company in the world. He also had a rather unusual approach to human resources: his system of “differentiation” divided his management team into the top 20%, who were rewarded with promotions and share options, the middle 70%, and the bottom 10%, who were fired. This happened year after year, even when managers struggled to identify a bottom 10%. Welch would sometimes find a new manager who was able to identify the necessary unfortunates. But I digress.

“Greatness” also follows rather obvious trends in political history. When I was a boy, Clive of India was “a great man” and his life was taught in every classroom, starting with the unlikely but colourful tale of his climbing a church tower and perching on a gargoyle to frighten passers-by. Clive seemed to like frightening people: he and his school chums tried to set up a protection racket to extort money from local merchants. Disappointingly, that last bit did

“ ”

The more apparently virtuous leaders do not always demonstrate the most impressive leadership skills. Here is an interesting question: do you imagine your chief executive would prefer to be likened to Winston Churchill or to Genghis Khan?

not get mentioned in the history books. Clive went on, of course, to establish the East India Company as the dominant military force in Southern India, and went down in history as the man who secured India for the British Empire. The vast flow of riches from India to England began with Clive, and a great deal of it found its way into his own pockets. To modern eyes, Clive looks rather like a colonial buccaneer, but we may be wrong.

The one thing that a study of the great leaders from history does quickly confirm is that one does not look to these leaders as role models. They are (happily) far too human and flawed for that. It is their leadership skills that reward study, and those skills are many and varied. There is no one template for “great leadership”. Many leaders were brilliant at one aspect of leadership and pretty useless at every other aspect. A handful were genuine all-rounders. Horatio Nelson is my personal favourite: a remarkably brave man who literally “led from the front” — losing an arm and the sight of one eye in the process — Nelson was also a sensitive and intelligent leader of men, giving his captains the overall strategy and then empowering them to act on their own initiative in pursuit of that strategy. Most leaders, however, exhibit some intriguing leadership strengths from which we can draw useful lessons while, at the same time, reassuringly demonstrating that they are, in fact, only human.

It is also true that the more apparently virtuous leaders do not always demonstrate the most impressive leadership skills. Here is an interesting

topic

Leadership

author

Jonathan Gifford



question: do you imagine your chief executive would prefer to be likened to Winston Churchill or to Genghis Khan? Perhaps you had better not answer that.

My point is that Churchill was in many ways a desperately flawed leader who just happened to be the perfect man for the vital wartime role to which he was finally called, while Genghis can hardly be faulted (apart from the merciless extinction of anybody who stood in his way, obviously). The astonishingly large Mongol Empire that Genghis created was surprisingly benign. The steppe-living Mongols had little interest in cities, or in accumulating great wealth. They had no quarrel with any particular religion, following their own essentially shamanistic religion, worshipping the Eternal Blue Sky and a pantheon of lesser gods. The conquests of Genghis linked China with Central Asia, the Middle East and Europe for the first time in history; forging commercial and diplomatic links between nations who were previously barely aware of each other's existence (Genghis invented the concept of diplomatic immunity for ambassadors and envoys between nations).

The Mongols liked manufactured goods, and encouraged trade. Their huge empire became one vast free-trade zone. Taxation was relatively light, with exemptions for doctors and teachers. Wars died out as the overwhelming force of the Mongols overrode all other power struggles — just as the overwhelming might of the Roman Empire of Augustus had begun a long period of peace, 1000 years earlier. Trade between east and west became safer and easier. Ideas and goods began to flow around the world.

The great achievement of Genghis as a leader was his reformation of Mongol society. The world into which he was born was an anarchic collection of feuding tribes and families: a constant round of minor raids; of stolen wives and livestock. Genghis created a nation out of this anarchy, united under his leadership. He also created the terrifying Mongol army: an army of mounted archers. It was based on units of 10 men: regardless of tribal differences or social status, these men were now brothers; no unit could leave behind a wounded member. The eldest member was the leader, but the team could choose a different leader. Ten units of 10 formed a company, whose leader was elected. Ten companies formed a battalion; 10 battalions made an army, with a leader chosen by Genghis.

Everybody had to serve in the army; those who were exempt would give the equivalent of one day per week in service to the Khan. Old loyalties and ties were effectively destroyed: ultimate loyalty was now to the Khan. The reorganisation was remarkably similar to the changes introduced to Athenian society by Cleisthenes, nearly 2000 years earlier, which were also designed to break up feuding clans, and which paved the way for the

“

There is no one template for “great leadership”. Many leaders were brilliant at one aspect of leadership and pretty useless at every other aspect. A handful were genuine all-rounders.

”

golden age of Athenian democracy — though Genghis would not have heard of the Mediterranean Sea, let alone of an ancient Athenian civilisation. The unification and democratisation of both societies was similarly successful.

And Winston Churchill? His political career is dotted with failures and disasters. When Churchill was made Prime Minister in 1940, he was viewed by many, in the words of political commentator, Andrew Marr, “as a rather ridiculous, drunken and dodgy man with a penchant for wild speeches and silly hats”. But then, in the moment of grave national crisis, Churchill wrote, and orated, words like this: “We have before us an ordeal of the most grievous kind. We have before us many, many long months of struggle and of suffering. You ask, what is our policy? I will say: It is to wage war, by sea, land and air, with all our might and with all the strength that God can give us: to wage war against a monstrous tyranny, never surpassed in the dark, lamentable catalogue of human crime. That is our policy. You ask, What is our aim? I can answer in one word: victory — victory — at all costs, victory, in spite of all terror, victory, however long and hard the road may be; for without victory, there is no survival.”

So Churchill had his faults as a leader; he made mistakes; he drank too much. But he was very much the right leader for that particular moment in history.

Jonathan Gifford is author of *History Lessons: What business and managers can learn from the movers and shakers of history* (£14.99, Marshall Cavendish, <http://www.business-bookshop.com>).

Football fever has

With the World Cup just around the corner, should HR resign itself to distracted employees and morning-after hangovers, or fight back?

34



There is little in life as serious as football. Italy came to a virtual standstill for several days after its team won the World Cup in 2006, as did large sections of Toronto, New York and other cities with large Italian communities. And in the same way that an entire generation remembers where they were when John Kennedy was assassinated, emotions run so strong around the English national game that many people remember exactly what they were doing — depending on their age — when they watched the heartbreaking penalty misses from Stuart Pearce and Chris Waddle in the 1990 World Cup, Gareth Southgate in Euro 1996 and Jamie Carragher in the 2006 World Cup. (This is not an exhaustive list; the English team really needs to practice penalties).

The point is, those memories take people back to the moment; to the boozy, hyped up, terrace-like atmosphere of the bar in which they no doubt stood. Unless, that is, they were sitting in front of a computer at their desk.

And that is the problem that HR managers face as we march towards another footballing extravaganza. While, in the past, many employers have been inclined to be lenient with employees and allowed them a certain amount of flexibility, since the last major football tournament we have had a major recession and much of the workforce feels grateful that they have managed to avoid the great cull that has hit most industries. It might seem wrong to

allow the carefree, lackadaisical attitude of the past government management of this year's highly-anticipated tournament.

It is something preying on the minds of HR professionals, as evidenced by comments already appearing on several online forums. The carefree attitude of the past is referred to in glowingly sentimental terms: "When England were playing we made it a bigger event, offering pizzas during the day and croissants/doughnuts for the early games," wrote one. "All paid for by the company." Alongside the nostalgia there is concern over how they will manage this year's World Cup: "How can I manage my staff of mostly male, mostly under 30s when, even if they're not watching the football, they'll be doing it online, and will then presumably rock in with appalling hangovers the morning after big games?"

It seems guidance would be appreciated and, according to Ben Wilmott, advisor at the UK's Chartered Institute of Personnel and Development (CIPD), it will come. "We will be putting out advice, as we have previously," he says: "It's important to recognise that the World Cup is a big deal for a lot of us. The key is flexibility and a lot of it's about common sense."

Wilmott stresses the need to emphasise absence policy and make it clear to staff that they are expected to turn up and perform, but equally warns that employers should not be proscriptive. The responsibility is on the employee so it is important to get individuals to think ahead and save holiday if necessary.

This sense of ownership is reflected in the opinion of Dr Rob Yeung, business psychologist at leadership consultancy Talentspace. "Surveys repeatedly show that one of the things employees most value about their workplaces is a sense of autonomy and an ability to influence their own work," he says. "No employee wants to be treated like a child and told exactly what to do. Employees who report feeling greater autonomy tend to report higher job satisfaction and also tend to stay longer with an organisation. So while employees, of course, need to understand boundaries, at the same time they want to be able to make their own decisions."

Often when employees are allowed to make their own decisions, they surprise their bosses in a good way, continues Yeung. "When they are made aware of the constraints of the job and what needs to be done, they may be able to come up with ways of ensuring that the work gets done and they can take time to do something else."

This is certainly the approach taken by Paul Bryrom, the managing director of a media events company, Upper Street Events, which has 25 employees. "We will treat the World Cup as a separate issue as we do not have it covered under any HR guidance," says Byrom, "The key areas we will want to make

HR in a sweat

Any event can be both opportunity or crisis depending on how well or badly it is handled.

clear is no drinking, time off only for the duration of the match, phones diverted to mobiles so urgent matters will be dealt with. If an employee does not want to conform to any of these then they will have to take holiday.”

At the other end of the scale – in big enterprise – Sally Mitton, PwC’s human capital leader, says that the firm will be taking a similar line. “We won’t be providing specific advice to our employees about what is expected of them during the World Cup, as we trust our people to use their own discretion as to whether they want to watch the games. Obviously client service takes priority and any big events don’t compromise that,” she says.

The flip side of a big sporting event like the World Cup is the idea that it could turn out to be the cheapest teambuilding strategy you will ever find. “Any event can be both opportunity or crisis depending on how well or badly it is handled,” says Yeung. “Acting in a dictator-like fashion by issuing pronouncements and punishments is a sure-fire way to end up being resented. Employees who dislike or do not trust their employers often find other ways to get their own back. Showing that you trust employees and that you respect that they may have lives outside of work could be an opportunity to win some commitment back.”

“The World Cup and events like the Olympics tends to get everyone interested and having a couple of hours off chatting with colleagues in a relaxed environment tends to be a positive for most people,” adds Byrom. In which case, allowing staff not just to watch games, but to do so in the office is a serious consideration. And given that this year’s tournament is in South Africa and there is only an hour’s difference for much of football-mad Europe, meaning that even daytime games do not kick off until 4pm, there are no excuses.

Large organisations, such as PwC, with the room to show events on a big screen are generally choosing to broadcast the vital games. “Previously, high-profile sporting events such as the Olympics, have been shown on the TVs in communal areas of the office so people can watch in their free time, and while we are not giving staff official time off to watch the England matches, we could, for example, show them on big screens in our London office,” says Mitton.

However, as Wilmott points out, “clients are more important so it’s about putting the business first”. And of course, there are certain industries where it is harder to simply down tools and watch a match, like on a production line or shift work. Even so, there are ways around it. Wilmott recalls that “at the last World Cup some manufacturing companies recorded the game and played it for the staff at the end of their shift”, meaning they did not miss out on the teambuilding aspect but still fulfilled their workplace duties.

One of the most obvious concerns about mixing business with pleasure by allowing the workforce to watch football is the inevitable appeal of including alcohol. “It’s usually dangerous to provide free alcohol and football,” explains Wilmott. “And you can’t introduce a drink or drugs testing programme unless you have a policy on which you have already consulted. Random tests are only justified in safety-critical industries.”

Again, the fortuitous timing of this year’s tournament may well work in your favour — that is, until the morning after. Byrom says he will deal with post-match hangovers in the usual way: “If workers are late and unable to perform their job this is seen very negatively and in extreme circumstances we will strongly suggest they go home and take a day’s holiday.”

And what about the “floodgates” argument? The idea being that treating the World Cup as a special case will leave you susceptible to Colin from accounts’ demand that you should let him watch the World Pooh Sticks Championships 2010 (scheduled for September) during office hours. Special cases can “and should” remain just that, believes Byrom. “I think the World Cup is one of those special sporting moments and with a bit of planning does not lead to an opening of the floodgates,” he says. “I believe our teams work hard and a few hours off will not affect the business, and indeed think this more flexible approach has positive benefits through enhanced job satisfaction, loyalty and a strong work ethic,” says Byrom.

“Football is the national game,” adds Wilmott. “If England progress there will be a real buzz — it catches the public’s imagination. That said, the same sort of principles apply to other sporting events.”

“In the UK, we employ 15,000 people so we cannot assume that everyone will be interested in football, nor indeed in England’s performance alone. Although it’s fair to say, with over 120 nationalities represented at PwC, the World Cup may well provoke some healthy internal rivalry!” says Mitton.

So it may be wise to treat this World Cup as a trial run before the Olympics in 2012, when, especially if you are a London-based company, the excitement levels are bound to reach fever pitch.

A letter from Greece

Mary Georgiadou

Out of the storm

Greece's economic turmoil is having a predictable effect on its workforce. What can HR do to help?

36

It is spring in Greece and the gardens are blooming. But there is a cloud on the horizon. The country feels as though it is going through an insistent thunderstorm with no end in sight.

Greece is experiencing a serious financial crisis. It seems that the only way it can find a pathway out of debt is through major spending cuts, tax increases and a number of measures that would have a severe impact on the already high rates of unemployment. The fiscal deficit is an unprecedented challenge that the present and future workforce generations will have to face, endure and solve.

The Greek workforce is living through some inevitably cruel changes. The new Government is shortly to pass a new tax law which aims to radically crack down on tax evasion. Pension reforms are next in line. The social security and pension system of the country is under-performing, nearly bankrupt and needs to be reformed urgently. Low birth rates and increasing life expectancy is an alarming indicator for the future of the retirement system. The retirement age will rise from an average of 58 to 65 or even 67 years of age for both men and women, in line with the other EU countries. This has caused a great number of female civil servants to apply for early retirement, an increase of 25% compared to last year. However, women in their 40s and 50s are the most productive and efficient workers in the public sector.

Unemployment is close to 11%, as Greece now has the highest youth unemployment rate in the EU. A recent analysis of the effects of the economic crisis on the labour market shows that the crisis has mostly affected men who are in regular paid employment in the private sector, particularly in the construction and manufacturing sectors. Part-time and fixed-term employment has increased considerably, at the expense of permanent and full-time employment, leading to a marginal but continuing increase in self-employment. Increasing numbers of well-educated, promising and talented people are leaving the country in search of a better life and career opportunities in other parts of the world.

More than two-thirds of Greeks accept that tough measures are absolutely imperative. This makes it easier for the new Government to remain true to the reform plans agreed with the EU. All these events constitute a great challenge for the HR community in Greece, who are expected to demonstrate maturity, serenity and determination in handling hugely sensitive issues such as layoffs, salary cuts and restructuring.

The majority of companies are concentrating on cost reduction, but the business-focused HR executive can put forward the argument that instead they should be differentiating themselves from the competition, focusing and

investing on their competitive advantages and concentrating on a few key strategic priorities and goals.

The turmoil has led many Greek companies to focus on performance management in a more structured and cohesive manner. In the future, better monitoring should ensure that companies take more accurate and fair decisions on how they manage their HR more effectively in the downturn. Poor performance is being identified and dealt with immediately, usually by letting people go rather than investing in their development. Very few companies are still investing in training and developing their people.

Recruitment has fallen sharply and, at higher levels, vacant positions are usually filled by candidates who do not fully meet the position requirements and are less qualified, less experienced and, consequently, low-paid. Competition is fierce, with the majority of candidates willing to work for less money and longer hours. In the public sector, voluntary exit plans are being implemented on a continuous basis, urging employees to early retirement. Only key positions are being filled. Back office and support functions are being streamlined and technologically upgraded in an effort to keep the costs flat and operational efficiency high.

Reward is also under review. At the higher hierarchical levels, basic salaries have been frozen and bonuses have been cut to the minimum. Benefits are also being revisited, focusing on those that have the greater impact on the workforce rather than those supporting the work-life balance concept. Inevitably, employee motivation and morale has been hit hard.

It is time to turn the page. We can learn from our mistakes. Everybody realises what needs to be done to bring back prosperity, economic growth, confidence between employers and employees and a reinstatement of public trust. Prosperity will be achieved through the redistribution of wealth, through a more efficient public sector, by creating equal and fair opportunities for all, and through the creation of a stable tax and legal environment. A sound financial supervisory and regulatory framework to ensure compliance, conformity, governance and transparency will also pay dividends. We need to turn Greece into a country where people would not only love to come for tourism but also to stay, work, live and create. Eventually, spring will be back to stay.

Mary Georgiadou is a director in the PwC Greece Human Resource Services practice.

HR HOURGLASS

References and further reading

Page 4–5

PricewaterhouseCoopers' *Talent Mobility 2020* report can be found at: <http://www.pwc.com/gx/en/managing-tomorrows-people/future-of-work/pdf/talent-mobility-2020.pdf>

Page 6–9

For more information on PwC's report *Working longer, living better: A fiscal and social imperative*, see http://www.pwc.co.uk/eng/publications/working_longer_living_better.html

Page 14–18

For more details about the Economist Intelligence Unit/StepStone survey, see <http://www.stepstonesolutions.com/newsroom/2010/new-eiu-report.html>

Page 18–21

More details about Nomura's diversity and inclusion programme can be seen at <http://www.nomuraholdings.com/csr/stakeholder/employee/diversity.html>

Page 26–29

The PwC 2009 Global Private Banking Survey can be found at <http://www.pwc.com/gx/en/private-banking-wealth-mgmt-survey/index.jhtml>

Page 31–33

History Lessons: What business and managers can learn from the movers and shakers of history is published by Marshall Cavendish, price £14.99



Keeping in touch

If you are on the move and wish to continue to receive your copy of **HOURGLASS^{HR}**, please complete this form and fax it to 020 8247 1124.

Alternatively you can e-mail your change details to hourglassdistribution@croner.co.uk

If you would like to receive more copies of **HOURGLASS^{HR}**, please e-mail hourglassdistribution@croner.co.uk

First Name: _____

Last Name: _____

Telephone: _____

Fax: _____

E-mail: _____

Old Address

First Name: _____

Last Name: _____

Company: _____

Address: _____

Address: _____

Town/City: _____

County/Province or State: _____

Post code/Zip: _____

Country: _____

New Address

First Name: _____

Last Name: _____

Company: _____

Address: _____

Address: _____

Town/City: _____

County/Province or State: _____

Post code/Zip: _____

Country: _____

What's your greatest asset – your employees, or your relationship with them?

At PwC our Human Resources Services team take an end-to-end view of employee engagement. Whether you need to diagnose the effectiveness of your HR and communication functions in driving engagement, you want to measure engagement and its effect on business performance or need to implement effective engagement strategies, we have the experience to help.

To find out more, in Ireland contact

Gerard McDonough - E: gerard.mcdonough@ie.pwc.com P: + 353 1 792 6170

Mark Carter - E: mark.p.carter@ie.pwc.com P: + 353 1 792 6548 or

Ann O'Connell - E: ann.oconnell@ie.pwc.com P: + 353 1 792 8512

or visit: www.pwc.com/ie/saratoga

PRICEWATERHOUSECOOPERS 