



Welcome to the second edition of RossNews. We hope you enjoyed last month's inaugural edition, which judging from the feedback was well received. As we strive to produce a Newsletter that adds real value, we understand it needs to address the topics that are important and of interest to you, our business partners. As such if there are topics you would like to hear more about, we would love to hear from you.

We'll endeavour to cover as many topics as possible in upcoming editions so please don't hesitate to email us at marketing@rosshumandirections.com.

Happy Reading!

in this issue

- macro economic update
- training tips
- business bulletin
- global roundup
- your personal coach
- frequent traveller

If you require any further information on the articles in this issue, email Ross Marketing, marketing@rosshumandirections.com

business bulletin

by S.McDonald and J.Baxter*

For many years the traditional approach to recruitment and selection has been to short-list candidates based solely on their CV, then perform an unstructured and off-the-cuff interview followed up by reference checking. Over the past 10 years though, organisations have been increasing their use of intelligence testing and are standardising processes and basing them on job-related competencies. Ross' specialist Consulting and People, Performance & Development division, Ross Navigate, offers a range of tools that can be used to support and supplement the traditional components of recruitment and selection, such as:

- work sample testing
- cognitive (intelligence) tests
- assessment centres
- personality tests

These processes are suitable for organisations where identifying and selecting the higher performers has a distinct and compounding payback to the organisation. The cognitive test in particular will enable the organisation to gain valuable insight into the future potential of a candidate and their current ability. To ensure that you are keeping your competitiveness exploring these alternative methods is a must.

For further information on the best methods to gain optimal results with your recruitment processes please contact **James Darling**, Ross Navigate – People, Performance and Development at james.darling@rossnavigate.com

*Taking the mystery out of selection - past, present and future, the Association Executive, Summer 2006.

macro economic update

by Chris McFadden, CFO

The world economy continues to grow strongly despite less expansionary economic policy settings in most advanced economies. Oil producing states are accumulating large surpluses but markets appear confident that these nations will continue as willing financiers to the US current account deficit. The US economy has rebounded in early 2006 following the hurricane-induced slowdown in late 2005, but there remains a strong likelihood that this growth will moderate in the back half of 2006. European countries excluding the UK are tracking record highs in terms of recent sentiment and economic indicators, creating an optimistic mood in the so-called Eurozone. In contrast, Bank of England Governor, Mervyn King, has described the UK economy as "remarkably benign".

The Asian outlook remains positive, although there are inflationary pressures in most major Asian economies. Closer to home the New Zealand economy is in what has been described as "a flat patch", and whilst a recession looks unlikely, caution is warranted. The Australian economy whilst experiencing a once in a generation commodity price boom is not quite at this same "gang-busters" level. The mining sector is booming, whilst many other sectors are performing below trend.

training tips

by Mary Strain, Training Manager

Workplace training is beneficial to an organisation for many reasons. In our Training Tips section we provide you with an array of ways to ensure your training is effective and appropriate for the audience.

We believe that by following these tips you will find that your employees are able to work smarter, become better team players, improve their basic and job-specific skills, become more responsive, flexible, and better able to take on new responsibilities. With enhanced skills comes a greater capacity to adapt to change, to learn at work and to respond to competitive challenges. As a result, employees gain rewards and recognition from their employers in the form of better pay, promotion, job security and career opportunities.

Objectives

It is crucial that a trainer knows the objectives of their training session. It is just as important that learners know the 'whole picture' at the beginning of any presentation.

“How do I achieve these objectives?”

- Identify what you as a trainer want to achieve from the session
- Identify what you want the learners to gain from the session
- Set clear objectives - write them down for the visual learners
- Explain how you are going to achieve these objectives; run through the plan/session outline
- The purpose of the training will be either:
 - To inform (provide information)
 - To persuade (inspire action)

In April, we have seen several interesting developments on news, economic and business fronts across the globe. The unprecedented negative commentary in relation to the carriage of the role of Defense Secretary by Donald Rumsfeld dominated US headlines in the latter part of the month where the Bush regime continues to suffer in opinion Polls. Rumsfeld's influence is seen as crucial in the environment of continued US aggression against Iran being threatened. Oil prices continued setting new recent highs supported by supply concerns. Iran is the world's fourth-largest oil producer and any confrontation could interrupt supplies from there. Media outlet CNN adjusted prices from the 1970s oil shock for inflation and the result was equivalent to a today's-money price of \$80 per barrel being achieved at that time, and we have seen prices around that level again during late April. The US is by far the world's largest consumer of oil, accounting for around 25% of daily consumption with more than 20 million barrels a day. China is the next largest oil consumer at almost 7 million barrels per day (around 40% of which is imported and often bought based on well-head agreements rather than on the open market), followed by Japan.

Further on China, in spite of government indications that it was attempting to contain economic growth to around 9%, GDP grew by an annual rate of 10.2% in 1Q06 said the Bureau of Statistics. However, the International Monetary Fund (IMF) is predicting 9.5%. Economic growth in the US is expected to be very positive in the first quarter of 2006, with some economists predicting levels of 5%. The IMF is forecasting US growth of 3.4% for this year. Coupled with a March jobless figure in the US of 4.7% and any increased inflation pressure, some analysts have suggested that strong growth could result in another lifting of interest rates by the Federal Reserve. In the current climate where inflation is largely seen as contained in the US however, such an interest rate increase is not considered imminent.

In its latest analysis of global growth, the IMF has forecast that the world economy will expand by 4.9% this year. The prediction marks an upward revision of a previous estimate of 4.3% led by China, Russia and India. The world economy grew by 4.8% last year. Looking forward, the IMF expects continued strong growth. Britain's economy is expected to grow by 2.5% this year and this figure is up from the previous estimate of 2.2%. The eurozone economy is predicted to be heading for 2% growth this year.

→ your personal coach

by Scott Cowans, GM, Ross Logic

IBM's Lou Gerstner was a phenomenally successful CEO, growing the share price almost 1000% over eight years. In his best-selling book *Who Says Elephants Can't Dance?* Lou explained how he achieved this result. Lou's key belief is that if you acquire a deep understanding of your customers' needs, your competitive environment and your economic realities, then develop specific strategies that translate into daily execution, you'll succeed. Lou gives some strong warnings around this seemingly simple advice:

- **Perform proper analysis** - ensure you're collecting the right data and interpreting it the right way. For example, instead of just knowing your competitors costs you must understand their entire cost structure and where competitive advantage exists.
- **Analysis must be objective.** Too often people set unachievable targets. Your competitor and customer data will give you a realistic forecast of how many products you can sell and at what price. This gives you a very realistic answer as to what target is achievable.
- **Review your progress against the target monthly**, so you can ensure the right things are happening and make changes before it's too late. Says Lou: "people rarely do what you expect, but they always do what you inspect".

Most importantly, Lou emphasises a **complete cultural focus** on achieving your target. Every action every employee takes must move you closer to your target. It's therefore critical that every message from management - from the things managers say to the remuneration packages and day-to-day tasks staff complete - are all aligned.



Jane Beaumont, MD, Recruitment Solutions

Favourite City:

Florence

Best Meal:

In a tiny lakeside resort in France (near the Swiss border), accompanied by wonderful Chateau de Rothschild smooth red wine. A very close second is Lausanne, Switzerland where they specialise in 6 course meals, each course an absolute delight! This was just too long ago to remember the restaurant.

Favourite Travel Experience:

Six years ago after a busy international trip I sneaked four days with my husband between France and Switzerland, away from any major cities or main tourist spots, relaxing and "living" in a getaway small resort designed for the busy executive taking time out. A combination of pampering, fine foods and fine wines and exercise all lead to a truly delightful experience shared with several close friends.

Funniest Travel Moment:

Of course we females always like to feel glamorous at all times and this is one of those times when this all went out the window! Laughable now and not at the time, I was walking into a particularly stylish hotel lobby, and managed to trip on a step and make a grand entrance flat on my face across the lobby along with bags and shoes flying. Embarrassing.... but they certainly looked after me whilst there and knew who I was!

Favourite Int'l Hotel:

A hotel called Queens Landing in a little town called Niagara on Lake Ontario, Canada. This is just a stunning location and is a gorgeous hotel where they really pamper you. It's quiet, luxurious, the food is wonderful and having stayed there twice I can say it is a special place. The township, for those who haven't been there, is quite something.

Don't leave home without...

Adaptors; something warm just in case; flat comfy shoes; a stack of books for the plane (unless its a work trip and then yes, its work as well); sunblock if its a sunny location and the list of the Harley Davison hiring spots so we can hire a road-king or something similar and get out and blast a few cobwebs away (Underneath there is some rebel in me!)

Music to travel with:

Actually I am a reader and don't really take a lot of music. I would have to say someone like David Gray or the opposite end and then it's the Rolling Stones (to keep me awake!)

Where to next?

We are tossing up between South America (including Machu Picchu) and The Inside Passage. Think both have to wait till next year though!