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Ralph Shreeve,
Group Managing Director

In a number of the locations in which Ross and Julia Ross operate, the release of this newsletter coincides with the beginning of a new financial year. In many locations, the past year has been characterised by outstanding levels of economic prosperity - high employment, relatively low interest rates, growing corporate profits and upbeat expressions of confidence. However, in some quarters, there are questions about how long such periods can last.

In times past, we have on occasion observed the development of complacency, in economic planning and management, during periods of prosperity. Currently, concerns that continued buoyancy in economic growth in some countries inevitably results in inflation are being fuelled by limits to labour -productivity improvements and capacity constraints. In such an environment, a number of factors become significant:

- continued access to labour with appropriate skill levels
- inflation rate trends
- global interest rate levels
- US dollar volatility

Continued escalation in the international mobility of labour is undoubtedly underway. Organisations that have relationships with global recruitment partners will enjoy a competitive advantage as they leverage the benefits of this. In progressive organisations, awareness of, and investments in, employee retention schemes, succession planning and employee training programs, continue to grow. Becoming one of those progressive organisations is increasingly an important priority for many companies.

macro economic update

by Glenn Meekin, Chief Financial Officer

The global economy is continuing to expand strongly. It is expected that it will grow by 4.5%, in both 2007 and 2008, despite a pronounced slowing in the US economy. The real driver of global growth is the developing world that is expected to contribute 50% of global GDP growth in 2007. China, which accounts for 15% of global GDP, has contributed 24% of global GDP growth over the past 5 years. Japan's economy is continuing to recover, despite sluggishness in household spending. Japan's labour market is tightening, with unemployment at an eight-year low.

The US has entered a period of below-trend growth, largely as a result of a sharp downturn in its housing sector. Deteriorating housing affordability has led to a dramatic increase in inventories of unsold houses, and a slump in new dwelling construction. Consumer spending has begun to slow, having an adverse impact on business capital spending. Despite this, the labour market has remained relatively robust, with the unemployment rate being low at 4.4%.

Euro zone growth was 3.3% by the end of 2006 - its best performance in six years. The unemployment rate is at 7.5%, making it the lowest since the German reunification boom of the early 1990's. Although the French and Italian economies remain sluggish, Germany is emerging strongly from an extended period of restructuring.

In the UK, the unemployment rate, while better than the Euro zone, has been increasing since 2005 and is currently at 5.5%. CPI inflation is also increasing. The latest result for March 2007 shows prices have risen 3.1% over the year - the highest in 15 years. An interest rate rise of 25 basis points is likely.

Sources: ANZ Economic Outlook June Quarter 2007

OH&S update

Share the space, not the germs

Following last month's article regarding the support being given by Ross and Julia Ross to the *Common Colds Need Commonsense, Not Antibiotics* campaign, a number of our clients expressed interest in knowing more. We are pleased to provide below, additional information about containing germs and protecting employees in office environments. The benefits of stopping the spread of colds and flu in the workplace are clear and - surprisingly - there is a simple solution: good hygiene. Encouraging good hygiene habits, in the workplace, may lessen the chances of catching a cold from your co-workers.

To help promote the effectiveness of simple hygiene, in helping to prevent the spread of infections among staff, during this coughs and colds season, the Australian National Prescribing Service has partnered with Ross and Julia Ross to bring the *Common Colds Need Common Sense, Not Antibiotics* national campaign into the workforce.

"Common colds are not called that for nothing. If you are in contact with other people you are likely to get a cold as the viruses are so common. But, good hygiene may lessen your chances of catching a common cold," said NPS CEO, Lynn Weekes. "Washing your hands regularly, particularly if you have children, is just one thing you can do, as well as throwing away tissues immediately after use and not leaving them lying around the workplace. Cold viruses can survive on your skin and other objects, such as used tissues, for hours".

Stickers and posters with simple and effective good-hygiene messages displayed in employee kitchens, bathrooms, tearooms, and other similar locations, act as a constant reminder to employees. A healthy workforce is the cornerstone of success for most organisations, and such a focus can only contribute to organisational well-being.

by Mary Strain, National Learning & Development Manager

Breaking the Ice

Why use icebreakers? Ice breakers provide an opportunity to immediately make everyone - including yourself - feel more at ease, allow you to learn about the participants, and break the audience's preoccupation with work or personal issues. They also help to diminish their fear of what is to come in the learning process.

While an icebreaker should be relaxing, it should definitely make a point that is related to the presentation. Never introduce an icebreaker just for the fun of it.

Icebreaker activities give the presenter a chance to settle in and get a feel for the group, but they should also help participants to focus. An icebreaker should serve as a preview of the topic, as well as an introduction to how the topic will be presented. Here are three examples of icebreakers that you might consider using:

Example 1: Give the participants a quiz to complete as they are waiting for everyone to arrive. The quiz should contain major points relevant to the topic you will cover. Then, correct or discuss the quiz.

Example 2: As a preliminary to making some participants do much of the talking, ask participants to turn to the person on their right and interview them briefly, so that they might introduce them to the group. The point of having participants interview each other is to accelerate interaction among the group members.

Example 3: Ask volunteers to jot down, on a piece of paper for you, one thing about your topic that they would like you to cover in your presentation. Have these passed forward and say that you will review them during the break, and begin your presentation.

Remember, icebreakers are activities that give the presenter a chance to settle in, and get the feel of the group, as well as help the group feel comfortable about what they are going to do, and what they are going to learn.

Source: "Delivering Effective Training Sessions" McArdel, Geri

personal coach

by Lina Robertson, Group Operations Manager

The Importance of Culture

"Corporate Culture" is receiving a great deal of attention in the current candidate-tight employment market throughout the developed world. Increasingly, "culture" is featuring as a compelling employee retention tool, as well as a key factor in employee exits.

Culture can be defined in a number of ways. For example, as "The thinking and behavioural expectations that govern the way people in an organisation approach their work, 'fit in' and 'get ahead'". Alternatively, Culture might be defined as the sum of values, where each value is expressed as a list of desirable behaviours. There are many types of Corporate Culture, however most fall into one of two categories: Constructive Cultures and Destructive Cultures.

Constructive cultures are characterised by:

- empowered teamwork;
- innovative, proactive people;
- high levels of employee satisfaction;
- a dynamic approach to change.

Destructive cultures are recognised by:

- inflexible hierarchical structure;
- controlling, dependent or counter productive people;
- low levels of customer service;
- low levels of employee satisfaction;
- a static approach to change.

A constructive culture is the most sustainable competitive advantage an organisation has, to manage constant change. Most problems of failures, successes, innovations and strategies encountered in an organisation, can be traced back to the thinking and behaviour of people, and therefore to the culture. There is a direct relationship between organisations that have a strong 'control and command' management style and high levels of employee dissatisfaction.

The impact of this employee dissatisfaction is seen specifically in low productivity. In today's cross-generational workplace that is increasingly being influenced by Generation Y, the traditional management model of 'control and command' simply does not work any more.

If high achieving people who wanted to be controlled characterised the workforce, we could manage organisations with the traditional model. However, today's achievers want innovation, participation, flexibility, accountability and empowerment in the workplace.

Culture Development is not:

- a fad;
- a quick fix;
- a one off training program;
- competency based.

Culture Development is:

- a strategic approach to organisational development;
- sustainable organisational effectiveness;
- unique to each organisation/department;
- profitable.

The values of leaders have a significant impact on everyone else around them. It is important that leaders are clear about who they are and how they perform at their best.

If you think your organisation would benefit from an assessment of its cultural development by our expert team of PPD professionals, contact Philip Crowe, Group Sales Director at philip.crowe@rossjuliaross.com