

TAKE A CUE FROM GERMANY

As Germany proved during the 2008 downturn, a belief in solid social and industrial partnerships can keep the economy going, observes **Paul-Werner von der Schulenburg**

Discussing crises is nothing new. There have been many situations in history which were considered by contemporaries to be crises, but by their descendents to be merely somewhat stressful periods of time.

The same can be said of the so-called "global economic crisis of 2008/2009". It should not be viewed as a catastrophe but as an entirely normal process that could happen again at any time. Difficulties of this kind have always occurred in the past and will continue to crop up in the future. They are simply difficult periods of our lives that differ only in terms of how complex the solutions appear to the people experiencing them.

The solutions necessary to overcome a crisis are always complex. First of all, we have to ask ourselves what kind of a crisis the 2008/2009 crisis was. Was it a financial crisis which gave rise to a debt crisis, an economic crisis or even a political crisis? Have we already overcome it? In September 2008, after the Lehmann crash, we were probably all under the impression that it was a financial crisis that would trigger a global economic crisis. The GDP slump in many countries and the dramatic decline in international transactions in the trade, production and financial sectors appeared to confirm this. Today, however, we know that these weren't the main threats. The acute threat was actually a political crisis similar to the German political crisis in 1929, because radical grassroots organisations aren't normally driven by rational thought. This was true

back in ancient Rome and we're currently experiencing the power of grassroots organisations again in Greece.

Today, three years after the Lehmann crash, many economies have recovered and the financial system is back on its feet. (Though August saw a severe correction in global markets following a downgrade of the US credit rating.) Some countries achieved recovery faster than others. According to experts, Germany was very successful in getting back on track and the figures appear to confirm this. The IMF has just forecasted up to 4% growth for Germany in 2011. Other institutes are expecting 1.6% growth in the EURO zone and 1.8 % in the EU. Are there reasons for this phenomenon? After all, the Germans probably aren't any more industrious than the people in other countries with similar economies.

ECONOMY

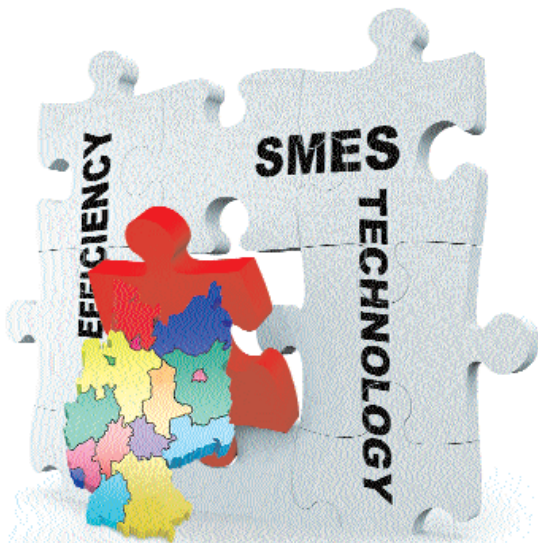
Paul-Werner von der Schulenburg.
Managing Partner, EMA Partners Germany



Economic and political experts now unanimously agree that there are five reasons for Germany's rapid economic recovery. These reasons are summarised below, though they do not by any means represent the complete picture of expert opinions.

TIMELY ADAPTATION OF THE GERMAN SOCIAL SECURITY SYSTEM TO FUTURE REQUIREMENTS: In 2002, Germany's Social Democrat Chancellor, Gerhard Schröder, acted against the wishes of trade unions and the majority of his party supporters by introducing a concept that would fundamentally change the German social welfare system. For the first time ever, with the government's help, German citizens were able to participate in the establishment of independent pension structures, the pension and healthcare system were adapted to demographic change and the national budget, and the unemployment benefit system was fundamentally remodelled. This provided incentives to individual citizens that encouraged them to take charge of their own lives. This change, initiated by Schröder, proved to be a blessing during the crisis.

THE GERMAN ECONOMY IS VERY SME-ORIENTED: In Germany, the term SME doesn't only denote a company's size. It also includes aspects such as ownership structures and, in many cases, a specific and frequently patriarchal management concept. For example, there are successful SMEs with 200 employees and others with 20,000. 99% of all companies in Germany are SMEs and 60% of all jobs are provided by



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them. In 2010, the SME sector was Germany's employment engine. These enterprises are the ones that coped with the crisis efficiently. According to their ethos, they made every effort to avoid redundancies because SMEs traditionally have a very close direct or indirect personal relationship with their employees. Also, none of the famous technology leaders cut back on R&D activities so they could sustain their innovative strength.

THE GERMAN ECONOMY IS STRONGLY GEARED TO EXPORTS:

Unlike their counterparts in other countries, German enterprises are technology leaders, so they have not needed to take refuge in services to any significant degree in recent years. A knowledge of global markets meant they were aware of their customers' requirements and were able to satisfy them quickly. This international orientation led to a very strong export industry. Despite being called the "Export World Champion", we shouldn't forget that 60% of these exports go to EU internal market destinations, and only 25% to Asia and America. Germany's export dependence has proven to be an advantage in the current recovery phase. However, German enterprises are also successful as a result of the EURO. Some bankers are describing Germany as the winner in the crisis.

GERMANS HOLD THE SHARED VALUE OF AN EFFICIENTLY FUNCTIONING ECONOMY:

Although it often appears complex to outsiders, the typical German social partnership of employers, employees and the government proved to be a benefit in the crisis. Employers kept on employees, trade unions held back on their wage demands, even though wages were declining in real terms, and the government supported this basic mindset by providing a "short-time allowance" to compensate employees' wage reductions and prevent redundancies and unemployment. As a result, the German economy and its high tech products were back in familiar markets as soon as the global economy started to recover. And back in the domestic market, employees returned to full-time working as soon as the first new orders came in.

THE GERMAN FINANCIAL SYSTEM REMAINED STABLE AND INTACT:

Apart from one big bank, the HRE, and the politically influenced regional banks, none of the German national banks required – long-term – government aid. The Deutsche Bank, Germany's leading bank, didn't report any losses, nor did it require any government aid. The majority of German enterprises received loans and guarantees – albeit with the help of the government – because the system never fell out of synch.

Although it often appears complex to outsiders, the typical German social partnership of employers, employees and the government proved to be a benefit in the crisis

These are the five reasons we have observed. Are there any threats? Of course. There have always been threats. It appears the Germans have overcome a financial and economic crisis this time as a result of their solid industrial and social partnership. Now, foreign enterprises' previous reservations have been swept away and they have finally understood that although investments in Germany aren't always simple, they do promise long-term success and stability. The increase in foreign investments proves this. Vice-versa, Germans have realised an export nation should not take a unilateral view of and approach to globalisation.

The political crisis is not yet over. For example, the high national debt accrued during the crisis still harbours the threat of inflation if the government is not able to reduce it quickly. Unfortunately, a dispute has arisen in Germany - which many observers cannot understand - about whether the new, robust tax revenues should be used to reduce debt or reduce taxes. This has caused a fundamental division of the political sector into two camps: those in favour of increasing savings to overcome an economic crisis and those in favour of promoting growth. Germans appear to have opted for growth. However, there are also good reasons to make savings. The situation remains interesting.

CAN INDIA BUILD - OR IMPORT - ITS OWN IVY LEAGUE?

India's human resources development minister Kapil Sibal has a new mission: He wants to create homegrown education "brands," or elite universities with the same type of cache among the population as that enjoyed by the Ivy League in the United States.

The minister's plan to nurture these education "brands" has two sides. One is to encourage U.S. institutions to open branches in India; the other is to facilitate the creation, or upgrade, of homegrown institutions.

Estimates show there are more than 150 foreign universities with "twinning" programs with Indian schools that allow students to spend part of their time on each campus. In addition, foreign universities send their faculty to the country to conduct short-term courses.

The other issue is that Indians spend large sums to study abroad. Every year, some 500,000 students travel elsewhere to attend college, spending around US\$10 billion. "India is fast becoming an

important economic zone globally and it would be in the interest of institutions abroad to engage with the country on an equal footing," notes Pankaj Chandra, director of the Indian Institute of Management (IIM) Bangalore. "The challenge will be to ensure that only quality institutions enter India to forge partnerships or start their own campuses."

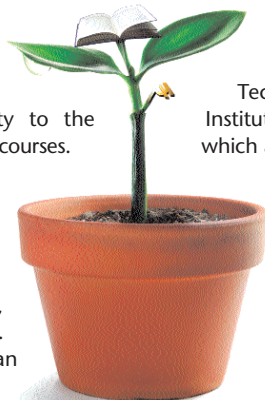
The foreign institutions are getting their visa to India at a time when the debate about Indian education brands is becoming more intense. On the one hand, the private sector is entering the field of primary and secondary education with for-profit models. The more germane issue concerns the highly-rated Indian Institutes of Technology (IITs) and the India Institutes of Management (the IIMs), which are known all over the world... In China, where there is no need to import engineers, there are IIM alumni associations in Beijing and Shanghai. The IIMs are the most difficult institutes in the world to get into, according to *The Economist*. Alumni have gone

places in corporate India. According to a survey by executive search firm EMA Partners, "33% of the CEOs from top Indian companies are from IIM. Some 16% are from IIT." EMA Managing Partner India K. Sudarshan describes the institution's domination as "undeniable. No other institute in the country comes close to them."

"The Indian management school landscape is quite mature," says Chandra of IIM-Bangalore. "Our programs are quite relevant, robust and cutting edge. The only challenge that I see relates to faculty, as the pool is not very large."

Harsha Jhunjhunwala, one of the first batch of alumni from one of the newest IIMs at Shillong in northeast India, uses another software analogy to describe education branding, particularly umbrella branding under the IIM marquee. "Confidence and trust in an institute are like software versions in reverse," she says. "For software, the newer is better; but for institutes, the older is better." Thus, she says, Harvard 2.0 or IIM 7.0 must go a long way in a short time to prove themselves.

Excerpted from Knowledge@Wharton



LEAD BY EXAMPLE

Hugues Lacroix tells Jean Raymond about the seven deadly sins of governance

Corporate governance is still a hot topic and will be for quite a while in my opinion; every week or so you find a new article, a new study, a new poll, reminding us of how much pressure administrators have on their shoulders; their work is constantly under scrutiny.

During a recent conversation with a business acquaintance of mine (he supports boards on various topics pertaining to governance) I candidly asked him what are the personality traits and attitudes that a director has which influence his/her as well as the company's performance. I did not expect his answer: "Do you remember the seven deadly sins? Well, the seven sins of governance also exist!"

I could not wait to hear more. Here's what he had to say about it.

THE SEVEN DEADLY SINS OF GOVERNANCE

To illustrate what are the worst attitudes a director serving on a board can have, I often use an analogy with an old religious theme, a universal analogy so to speak. I thought it would be interesting to see if our current directors face the same temptations as the original man did, or if they have their own checklist. Here is mine in alphabetical order.

ABSENCE: While availability is a must when recruiting directors, promises and goodwill are in no way a guarantee of active and continuous participation by a candidate. That the absence is physical or mental, under existing jurisprudence, a director who is not sufficiently involved commits the worst possible mistake: failure to act. Error is human and should be forgiven, but for a director to repeatedly not participate when required (by either challenging or endorsing positions), is highly reprehensible.

BLINDNESS: If you don't know where you're going... all roads will lead you there! A lack of vision on the part of senior management and directors (they should all be involved) will lead to, at best, low level corporate performance and at worst, to nowhere land. The absence of self-criticism brings about poorly made decisions missing the necessary detachment and in-depth analysis. In relation to other duties, improper monitoring of management's actions may lead to reprehensible behaviour, which we know, is likely to come back and haunt them later.

COWARDICE: Managerial courage is often defined as the willingness to deal with issues

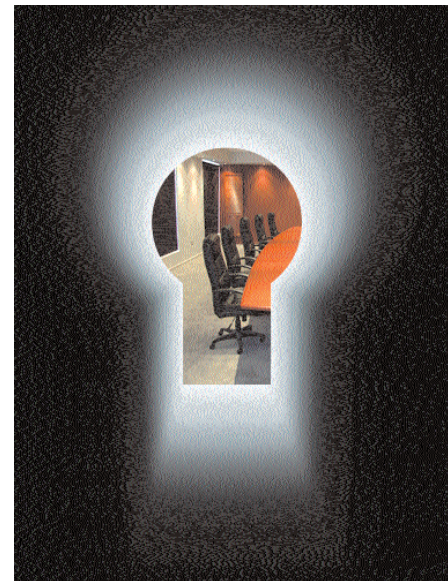
that could be deferred. A coward prefers easy and simple solutions, believing that problems will be solved with the passage of time, or by others, or even that they are not that serious. This sin is at the root of poor organizational ethics (the cause of dubious situations) however, but if addressed, forces the company to make serious changes in its inappropriate business approaches or processes. Inaction is usually justified on the basis that "we are no worse than the others..."

INCOMPETENCE: Everything being equal, this behaviour is often the result of a desire to act in conformity with other directors, a safe place, and some kind of refuge. The ineffective director, not totally at ease with the mechanics of the selected governance process, is likely to make decisions based on poor or incomplete analyses. The inefficient one will choose the wrong issues or battles, or use inappropriate corporate governance processes (over those that could contribute more to value creation). The incompetent will accumulate all these deficiencies and will even put the organization at risk by doing too many things wrong. It is often said that "competence comes at a price, but incompetence can be even more costly".



INTERFERENCE: A cousin of "certainty" (also a bad attitude and the cause of so many errors), interference materializes as an excessive need for a board member to control everything. Often caused by a misunderstanding of his role, the erring director will over-analyze and micromanage the situation at hand, usually without even realizing he is doing it. Accustomed to directing and leading his business, he sees himself in the driver's seat rather than one mandated to oversee the driver. His attitude will often render others uncomfortable with the situation.

LAZINESS: Noble descendant of one of the original sins, laziness on a board translates into a certain laxity combined with a lack of preparation, an attitude the culprit justifies with his superior intelligence and ability for quick analysis. He will usually assume that he can instantly solve a new problem and therefore,



can act passively until he is directly called upon for a specific issue. Its direct complement is indecision (the opposite of "certainty" decried earlier) which will cause stagnation, or worse, leave situations unresolved.

PROXIMITY: Hello buddy... cronyism (a natural reflex to rely on those who support us) is a harmful behaviour on a board. It distorts the role of "critic" normally assumed by credible people of independent mind. Often without realizing it, they become hypocrites who dwell in conflicts of interest and act as yes-men rubber-stamping proposals and making decisions based on the interests of those perceived as allies.

DOING IT RIGHT

Interestingly, the offending director is often unaware of his sins and rarely the only culprit on the board, since he is part of a group. A board's overall performance depends on the interactions between its directors and senior management. We have to keep in mind though that someone actually recruited them to sit on this board! Acknowledging and addressing these issues is good, but putting in place a good recruitment process for directors is probably the best solution to help eradicate the root-cause of these problems.

Hugues Lacroix (CA, MBA, ICD.D) is the owner of Lacroix Groupe Conseil, a strategic consulting firm in corporate governance. He is also the co-author of many courses on governance for small and medium enterprises (SMEs) that he teaches in various universities. He is a certified director of the Canadian Institute of Corporate Directors (ICD).
lacroix@lacroixconseil.com



Representatives of EMA Partners Brazil, Colombia and Mexico recently conducted a survey of expatriates in Latin America and discovered that they found Brazil to be a very dynamic and interesting country. The survey found that Europeans had a positive perception of Latin America, thanks to the fact that the previous President, Luiz Inacio Lula da Silva, had boosted the image of the country, projecting it as one that offered the advantages of simplicity and high growth potential. The Partners also found that LATAM countries like Mexico and Colombia offered expatriates contact with an important language, Spanish.

The survey included expatriates from United States of America, France, England, China and India.

The questions that the expatriates were asked ranged from why they had accepted the job offer in a Latin American country; the most difficult aspects, and the most



A FRUITFUL EXPERIENCE

Latin America offers growth opportunities and a warm cultural milieu, according to a recent survey of expatriates by EMA Partners

pleasant ones, of living here; the reactions of local people; the differences between the business models found in Latin America, compared to their own countries; cultural differences and interpersonal relationships at work, among other things.

Here's what they had to say:
REASONS FOR MOVING TO A DIFFERENT COUNTRY

- Their professional careers can be potentially developed.
- Gaining experience and growing faster than working in a domestic operation.
- To earn a better salary.
- Brazil is a very dynamic and interesting country, with a very good image for Europeans.
- The possibility of learning about new and different cultures.

- LATAM countries and industries are in a development stage, so expats consider that their experience can be applied to push progress.
- Good infrastructure, knowledge, market potential.
- Every expatriation is a very important growth process, since the expat has the opportunity to develop his capacity to adapt, and be flexible, in addition to coping with a different cultural view.
- The opportunity to learn Spanish.



DIFFICULTIES IN THE NEW COUNTRY

- Low level of bilingualism.
- Pollution, bureaucracy, informality regarding time, sense of insecurity, lack of civic sense in traffic.
- Cultural shocks such as aspects related to the employment relationship, pressure, stress, lower initial effectiveness, communication problems arising from conflicts and lack of local operating guidelines. These can be alleviated with coaching for executives. Coaching can also be an important contribution in improving the transition in terms of cultural differences and difficulties such as language integration, loss of friends and social life, problems associated with family life, including education and adaptation of children and spouses' difficulties in finding work.

PLEASANT ASPECTS

- Moving to a higher status in life than in their own countries.
- Good weather.
- People's hospitality and kindness, and their interest in making people feel good.
- Better purchasing power
- History, geography and cultural wealth are advantages for a foreign person.
- Good allowances for housing, schools, cars (with chauffeur) and domestic employees.

WELCOMING FOREIGNERS

- Latin-American people are very open to welcoming foreigners.
- People are very cordial and friendly, helpful, willing to collaborate.
- Expats are very welcome when they demonstrate willingness to learn the language and customs and provide added value to the company with knowledge and expertise.

BUSINESS MODEL DIFFERENCES

- Latin American executives show interest in titles, they value status within a hierarchy, because it indicates social status.
- It is difficult to justify investments in automation and other projects and implementation can take a long time.
- In general medium and top level executives with very good academic background are scarce and very expensive. Workers are not well paid.
- Regarding working hours they all consider that people in Latin America work more hours than in the rest of the world. The Labour Law also allows for fewer vacations in LATAM than in other countries.
- A shorter maternity leave than in other countries.
- In LATAM non-work activities related with commitments in Trade, Organizations and Business Chambers require more time, but this is a benefit, not a negative factor.
- Better balance between personal and professional life.
- People take longer lunches!

FINANCES

While expatriates did not find much difference in the salaries they earned, the main difference was "amazing" medical assistance and pension plans.

Another respondent pointed out that working in Latin American countries meant greater purchasing power, housing allowances and more time to share with the family.

CULTURAL DIFFERENCES

- Latin Americans are often too polite in their interactions with people, preferring not to say things directly in order to avoid hurting the other person. This can also lead to a lack of sincerity..
- Sometimes this means that it takes time to understand the true thoughts of collaborators.
- To work better, it is important for Latin Americans to like their bosses.
- The expatriates find people in Latin America "very warm", with women and men greeting each other, or saying goodbye, with a kiss. (This does not, however, apply to meetings between men!)
- In Latin America you can set a social meeting informally without making a previous appointment.
- It is not a lack of courtesy to arrive late by half an hour or more to a social invitation.
- Local people invite foreigners to their homes.
- Latin American people have a very strong sense of family.
- Punctuality is not the best quality of Latin Americans.

A respondent pointed out that working in Latin American countries meant greater purchasing power, housing allowances and more time to share with the family

PERSONAL RELATIONSHIPS

- Both personal and professional relationships are informal; in the latter, it is mandatory to have a more controlling leadership style.
- "When I first arrived, it was shocking because I was very direct and incisive and because of that I could sound very aggressive to employees and workers," said one respondent. "So, I had to adapt my behavior to get their trust and respect, which was not so hard, considering that they are very open people."
- You can be courteous to workers but cannot become friends. A good worker can be promoted to a higher position but only on the job. After work he must stay within his own cultural milieu.
- "Being able to speak Spanish has allowed me to easily connect inside the company," said one respondent. "Thanks to fluency in the language, I have been able to understand the culture and achieve better performance."
- People are really friendly and this is great in facilitating work relationships.

SOME ADVICE

- Do not expect your partner to be very assertive (clear and direct) or confrontational.
- Never contradict an authority figure in public.
- Take good care of how to express a disagreement; otherwise this could be interpreted as personal aggression.
- You can use an informal tone with a person to whom you have been presented, only if the person is at a level equivalent to yours. If his/her status is higher, it is preferable that you treat him/her formally until he/she formally requests otherwise.
- Normally and especially at the beginning of business relations, treatment is very formal and adheres to protocol. Eventually, "ice breaking" follows as the parties gain mutual trust.
- Things have a meaning not only because of what is said, but also how it is said (the way you talk, your tone and the gestures you use.)
- Do not expect rigid adherence to an agenda.
- Try not to decline invitations to dinner. Business lunches are common.
- Normally, business matters are left to deal with at the end of the meal. During the meal, the conversation is more informal, and may even include personal and family matters.
- During business meetings, it is common to first share some informal communication before addressing the matter directly.
- There is no surprise if in the course of a working meeting, the person with you receives or makes phone calls, or allows interruptions.
- People may not come to an appointment with you at exactly the time you agreed. While this begins to change, extreme punctuality is still not part of the culture.
- Get used to the fact that it is very common for a handshake and hug between men, and kiss on the cheek between men and women and women and women.
- Do not be bothered by the physical proximity at which people interact in Mexico. It is closer to that of other countries, particularly the United States.
- Often, the relationship is more important than business. Try to identify the person who makes decisions and to negotiate with him/her directly.
- It's often more important "to know who" than "to know how".

SIGN OFF IN STYLE

A structured succession programme is essential for the growth of a company, believes K Sudarshan

Power is heady and intoxicating. Historically we have seen that most leaders keep prolonging their stay at the top, well past their prime. It happens in companies, in sport, in politics and literally every sphere of life. Great leaders have demonstrated their ability to let go at their peak of their powers. There are a few who come to mind like Jack Welch in GE or Pete Sampras, who signed off in style with a grand slam title.

Quitting as a winner leaves pleasant memories for the rest of your life and further embellishes your career achievements. Renowned cricketer Sunil Gavaskar did it in style during his playing days while several others including the legendary fellow cricketer Kapil Dev prolonged their stay and literally had to be eased out. In recent times, one such business leader who stepped back at the right time includes K V Kamath of ICICI Bank.



In competitive sport, as you age, though the mind is there, the body breaks down sooner and you do realise that you are no longer at the peak of your game. For a high performing sportsman, frequent losses, lack of performance or breakdowns are signals which need to be read and acted upon. But in corporations, the signals are often muted and the damage to the organisation is long term. Leaders are unable

to sense the effect of their staying on beyond their 'sell-by' date. In recent times, we have seen the damage caused to leadership development by the overstaying of a CEO of Engineering of a construction conglomerate. While the company itself has delivered a sterling performance in the intervening period, it is struggling to find replacements for an ageing management board.

Broadly, the impact on the organisation when a leader overstays can be summarised as follows

The organisation suffers from lack of fresh perspective, motivation and renewal. Over a period of time, ideas get jaded and a 'sameness' creeps into the mind of the leader as well as his / her team; unconsciously they collectively slip into a comfort-zone. The organisation, if not backed by a strong independent board, may be transformed into the CEO's personal fiefdom, while a coterie of insiders takes over, catapulting vested interests to the fore. Who will then sound the alarm?

Leadership development is stunted at every level, leading to stagnation, disillusionment and finally higher levels of attrition amongst prime leadership talent. An example is the case of a business leader, who overstayed for close to a decade, and set the company back by twenty years. His potential successors have evaporated, or are too old now to take charge. The next rung of

leaders is considered too inexperienced to take over the reins and the company may finally have to look outside for a potential candidate. In that sense, an entire generation of leadership talent was left under- utilised!

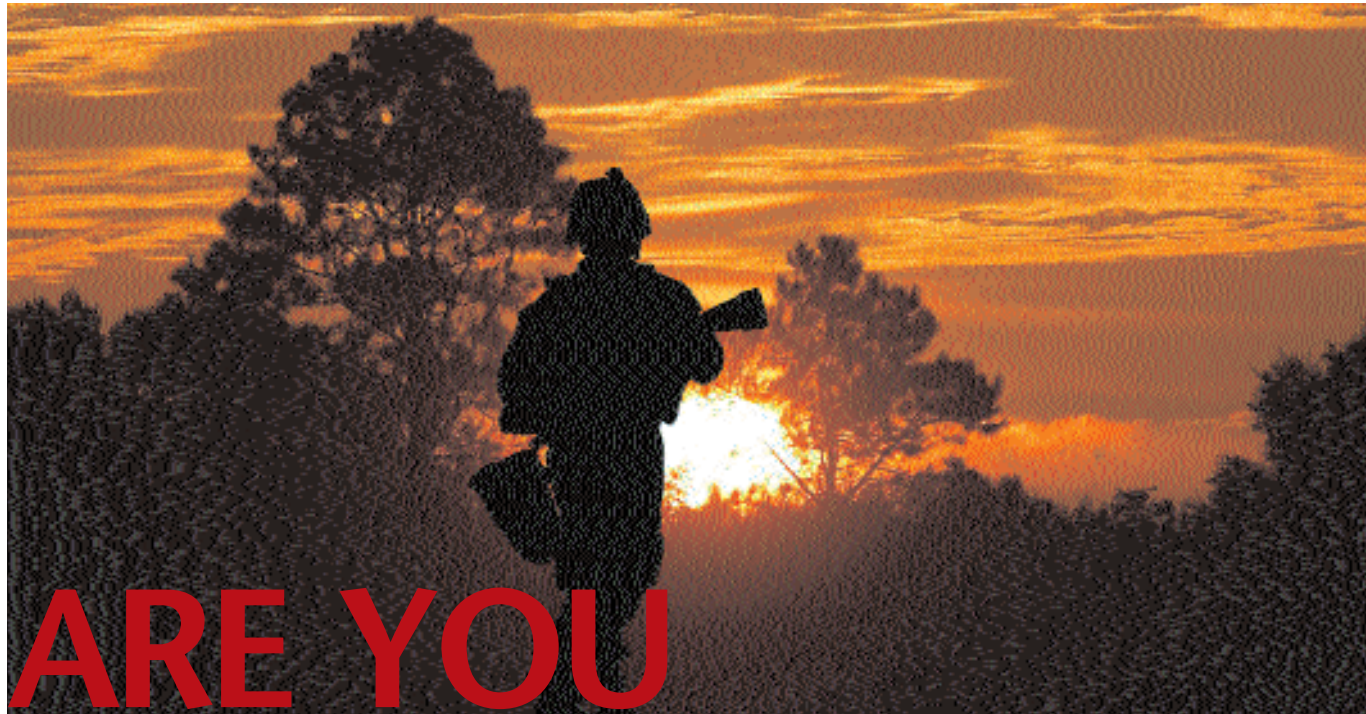
These leaders believe in the theory of irreplaceability and they unconsciously perpetrate this myth at every level, leading to stunted development and lack of opportunities for people at all levels in the organisation. The best move on, the rest remain for lack of opportunities elsewhere and the organisation is left with deadwood for the future.

Ability to attract talent from outside is greatly diminished as the old boys' network rules the roost and the odds of someone from outside the system settling in and making an impact are remote. A long-standing prima donna CEO impairs the functioning of a truly independent board when the board itself becomes subservient to the CEO and his cause.

It is imperative that the board, which is truly independent, steps in and ensures that the CEO is given a gentle tap on the shoulder. Furthermore, the HR leadership, with the support of the Board and CEO, should play its part in ensuring that leaders at all levels are aware of the need to identify worthy successors and have a slate of candidates to take over their jobs at any given point.

A structured succession planning program will ensure the availability of backfills for every job and ensure adequate growth opportunities, which in turn will play a critical role in keeping the organisation fresh.





ARE YOU FIT FOR THE JOB?

Psychometric tests can have a role in recruitment and staff development but there are certain problems associated with them, says **James Douglas**

Personnel Testing, in whatever form, is a subject which can generate great debate having both committed believers 'sold' on the principles and practice, and also total non-believers who prefer to read tea-leaves when assessing staff or potential recruits.

As with a number of other management techniques, psychometric testing had its origins in the Armed Forces. Faced with inducting hundreds of thousands of recruits into the military machine, for whom identifiable and relevant career track records were difficult to establish, the US Army during World War 1 devised screening tests to measure the aptitude of individuals for certain tasks and their likely ability to cope with the stress of combat. Today, the Armed Forces systematically use psychometric testing as an aid to recruiting, as do a large number of other organisations, both government and private, large and small.

ABILITY, PERSONALITY AND INTEREST: Psychometric tests can be divided into those of ability, personality and interest. Tests of ability are designed – as far as possible – to measure the aptitude or potential of an individual to undertake a certain type of work at some point in the future. Such tests include the ability to interpret written information, understand data presented in graphs and tables, detect patterns in sequences of diagrams (vital in information technology and electronics), recognise relationships between shapes (important in design and architecture) interpret information from dials and gauges (pretty essential for pilots), and so on.

Personality tests aim to identify traits within the personality of an individual such as introversion/extroversion, imagination, creativity, tenacity, boredom, tolerance, optimism etc. Clearly, potential designers

need to have high levels of creativity, a salesman should be an extrovert, a project manager should have a healthy level of pessimism and so on...

Inventories evaluating interest can look at preferred management functions (sales, personnel and training, administration, finance) and separately at management skills (information collecting, decision making, communicating orally, in writing, etc). After all, a person may be good at something but may hate doing it!

With these aids to personnel evaluation, why then are there such diametrically opposed views on their use?

THE TEST OF A TEST: Without a doubt, psychometric tests can have a role in recruitment and staff development. However, the problems associated with such tests are their validity, accuracy, impartiality, interpretation and relevance. To be valid, a test has to almost be tailor-made to the organisation that is using it, taking into account the objectives and particularities of the organisation.

STRATEGY

James Douglas
Managing Director, EMA Partners UK



The accuracy of psychometric tests is often called into question. It is difficult to put any measure of reliability on such tests; estimates of accuracy vary from 10% to 60%. Psychometric testing has been well marketed by numerous and diverse companies, offering a panacea for decision making in recruitment. There are a number of well respected and totally professional companies offering excellent products; there are also, however, numerous companies offering products whose accuracy must really be called into question. Recently, one company was marketing in the UK a general management assessment software package that, it was claimed, had been tested and validated on over 700 individuals. It transpired that all the 700 were US medical students!

Psychometric tests must be totally impartial, that is, the tester should have no interest in the outcome of a recruitment. A number of

recruitment consultancies offer tests as part of their recruitment service. It is highly unlikely that such a service would produce short-list candidates with negative test results! Also, what trust can the client place on the validity, accuracy etc. of the particular test used?

Such tests have to be used carefully and should be adapted to an organisation's needs by professionally qualified practitioners. If appropriate care is not exercised, such tests can be meaningless at best and counter-productive at worst

Interpreting the results of psychometric tests must be done skilfully and with a particular understanding of a client's requirements and objectives. Too many tests present results in a generalised, meaningless, pseudo-psychological form that leaves the reader somewhat confused. Finally, tests have to be relevant to the organisation. That is the user must know what are the key attributes that need to be evaluated. For instance, it is pointless being told that a candidate is introverted/ extroverted if that has no relevance to the appointment being considered. Again, too many psychometric tests provide information that is not relevant.

In summary, psychometric testing in the evaluation of candidates for particular appointments can be a most powerful and useful aid to recruitment, provided that it is not used as a substitute for

decision making. However, such tests have to be used carefully and should be adapted to an organisation's needs by professionally qualified practitioners. If appropriate care is not exercised, such tests can be meaningless at best and counter-productive at worst.

Amongst our clients, views on psychometric testing are equally divided. One company, a major UK PLC, uses testing in a most effective manner. All senior managers have undertaken tests with a professional and qualified psychometric tester. These tests which include all of those mentioned above as well as an intensive interview, last five to six hours. Potential recruits to the company, having been short-listed by the line manager, undergo the same battery of tests. By benchmarking in this way, the company can place a measure of confidence on the tester as he has already produced reports on individuals known to the company management. They know his strong points and weak points. When recruiting, the line manager involved is required to produce his own notes on the candidate, together with those produced by psychometric testing, to his manager. Together, they analyse the reports and if there are serious areas of difference, the candidate will be invited for further discussions to evaluate those potential problem areas. Such reports are also used in annual appraisals to assist the individual to achieve his or her potential.

Clearly, extensive testing in this way is not cheap, but then neither is recruiting the wrong individual.

THE COLLABORATIVE SPIRIT

EMA Partners colleagues from across the Americas met recently to share strategies and set priorities for the coming year

Toronto, Canada: On April 2 and 3, 2011, EMA Partners Americas met for its annual meeting in Boca Raton, Florida.

In attendance were partners from Bogotá, Chicago, Mexico City, Montreal, New York, São Paulo, and Toronto.

Jean Raymond, EMA Partners Americas' Regional Chair, and Managing Director of EMA Partners Montreal commented, "Meeting in person with executive search colleagues from across the Americas was invaluable as it provided us with the opportunity to share strategies, experiences, and best practices."

In the opening comments of the meeting, it was revealed that despite a challenging economic period, EMA Partners International offices in America have significantly increased their respective results for both 2010 and 2011. Brazil, Colombia, and Mexico saw the biggest increases.

This very encouraging situation is partially due to the group's ability to retain and further develop key client relationships across multiple industry

verticals and by the success in solidifying long-term relationships with key executives across the Americas.

The working session of the meeting fostered a collaborative spirit, establishing strategic action items for the coming year.

Key priorities included the doubling of EMA Partners' strength in three years by increasing presence in Argentina, Canada, and the USA; developing and launching new practice groups and the re-launch of EMA Partners new and revitalized global website.

EMA Partners next general assembly of Global Partners is scheduled for October in Mumbai, India.

Since 1988, EMA Partners International has built an expanding global partnership of executive search professionals. EMA Partners International is one of the largest executive search firms in the world. Its 48 offices on six continents are dedicated to satisfying the senior executive search and recruitment needs of clients.

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EMA Partners Management Team

James Douglas
Chairman
j.douglas@ema-partners.com

Bjorn Ekestaff
Vice-Chairman
b.ekestaff@ema-partners.com

Alberto Miranda
Regional Chairman – EMEA
a.miranda@ema-partners.com

Jean Raymond
Regional Chairman – North America
j.raymond@ema-partners.com

Josefina Stoopan
Regional Chairman – Latin America
j.stoopan@ema-partners.com

K Sudarshan
Regional Chairman – Asia-Pacific
k.sudarshan@ema-partners.com

Editorial :
Source Strategic Communication
Pvt Ltd
sourcestrategic@gmail.com

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Feedback: emaquest@ema-partners.com

www.ema-partners.com