

## Hello again!

And so we reach the end of another year... a remarkable year in many ways. A history making year. A year of change and challenge. A year with two very different halves. Let's take a look.

### In the first half...

- A strong economy, with full employment.
- Consumer and business confidence high and new car sales at an all time high.
- The war for talent – a high number of job advertisements, with low competition and a small talent pool. Businesses focus on staff retention programs and their employee value proposition.
- The AUD almost at parity with the USD.
- Exporters finding it tough, with imports cheap and luxury items within reach.
- Overseas holidays on many shopping lists.
- Inflationary pressure, with high interest rates and soaring house prices putting home ownership out of reach for many.
- High petrol prices of \$1.50 per litre encouraging reduced use of cars.
- A booming economy in China, with preparation for the Olympics fuelling excitement and anticipation. Strong overseas demand for Australian goods and services drives the Australian economic outlook.
- BHP Billiton in mega merger mode makes a bid for Rio Tinto.



### And in the second half...

- A weak economic outlook with loss of consumer and business confidence.
- Car sales at an all time low.
- Significant job losses and growing unemployment. Few job advertisements and high competition due to large numbers of applicants.
- AUD now buys 0.65 USD.
- Opportunities for exporters improve but global demand slows. Imports more expensive and luxuries no longer attainable.
- Overseas holidays on hold for most, with domestic "road trips" growing in popularity.
- Inflationary pressure continues, with Federal Government and Reserve Bank increasingly concerned about the stalled economy. Interest rates are at their lowest in 8 years and house prices are falling.
- Petrol prices fall to less than \$1 per litre.
- The Olympics are over, the Chinese economy falters and global demand for Australian goods and services falls. Economic outlook is grim.
- BHP drops bid for Rio.

### So what does this tell us?

We live in interesting times.

Although many are saying we haven't seen anything like this before, in some measure we have, and many times.

We have the skills and capabilities to weather the storm.

Busts follow booms but it is not always the case that doom follows gloom.

### And what might we expect in 2009?

Some potential trends – as forecast by business soothsayers like McKinsey and the Corporate Leadership Council (CLC) are:

- Emerging markets in Asia, Europe, the Middle East and Latin America are likely to show absolute revenue growth in the next three years and investment banks and firms will redirect resources accordingly. International migration has diversified, including qualified professionals at all levels, and female and minority workers. This creates both opportunities and challenges, and employers will need effective expatriate management programs.
- The talent pool is growing but there are still areas – like science and engineering - with less new graduates. The first wave of baby boomers is retiring, although this is likely to be delayed on account of the falling value of their investments and retirement funds. HR must continue the work of identifying and retaining critical talent and also attract top performers exiting other industries and organisations. To ensure sustainable succession planning, the focus will shift from short-term talent management to long-term talent development.
- In the US and Australia an emerging trend is the use of Web 2.0 technologies. Blogs, podcasts and sites like Facebook, LinkedIn and MySpace will be increasingly used to identify and attract new staff. Over 20% of Australian companies are currently making contact in this way. The CLC recommends companies use these tools for networking and relationship building, expanding internal networks, streamlining communications and developing knowledge management frameworks.

## Through My Eyes....

### *The Other Half*

It had been one of those days when I felt the gods were smiling on me. Dropping the kids at crèche in the morning I managed to find a parking spot right near the door rather than having to queue and double-park during my usual mad drop off. This was a good sign! On top of that, the run in to work had been reasonably smooth with only a couple of bottle-necks getting on and off the freeway.

The morning went by quickly, so quickly I barely had time to think about the conversation my husband and I had last night, which I had pushed to the back of my mind. There was absolutely no point worrying about something that might never happen. The meeting his boss had asked him to attend today was probably nothing more than a review of the business for next year... right? There you go, I was thinking about it again!

I was keen to get away on time, so I ploughed through my work while nibbling at a sandwich. If I achieved as much in the afternoon as I had during the morning I'd be well and truly on time to pick up the kids. My challenge was to review a number of proposals from consulting firms vying for the chance to do our graduate recruitment. I was absorbed in comparing them against a checklist of selection criteria when my phone rang.

It was my husband. His voice was strained although I could tell he was trying to sound calm. I knew him well enough to anticipate what was coming. Very quietly he told me the outcome of the meeting with his boss: his position, along with those of a small number of other managers, had been made redundant, as part of the company positioning itself for next year's financial challenges. While not entirely a shock, he was shaken nonetheless, and trying to reassure me at the same time, that we could handle this.

Inexplicably, I felt a surge of rage rise in my throat. I remembered the missed meals, late nights at the office, business trips that ate into our weekends and family time. All for what? To be unemployed over the holiday season and in an economic downturn? I thought of the impact on our children, and how my salary alone wouldn't cover our living expenses for very long. My heart raced, but I couldn't say any of this; my husband needed me right now.

What would **you** do?

(Look out for the next edition of *Careerfocus* in which we continue the story - this time through the eyes of "The Colleague - Left Behind!")



The winds of change have blown wildly in recent months, creating great turbulence and uncertainty. And perhaps, as we plan and strategise and hope for healthier and happier times, it will be useful to remind ourselves that:

*"We grow great by dreams. All big men are dreamers. They see things in the soft haze of a spring day or in the red fire of a long winter's evening. Some of us let these great dreams die, but others nourish and protect them; nurse them through bad days till they bring them to the sunshine and light which comes always to those who sincerely hope that their dreams will come true." [Woodrow Wilson]*

We at LHH have enjoyed your company over the past year, and we look forward to journeying with you through the coming year.

With our very best regards,

**The Team at Lee Hecht Harrison**