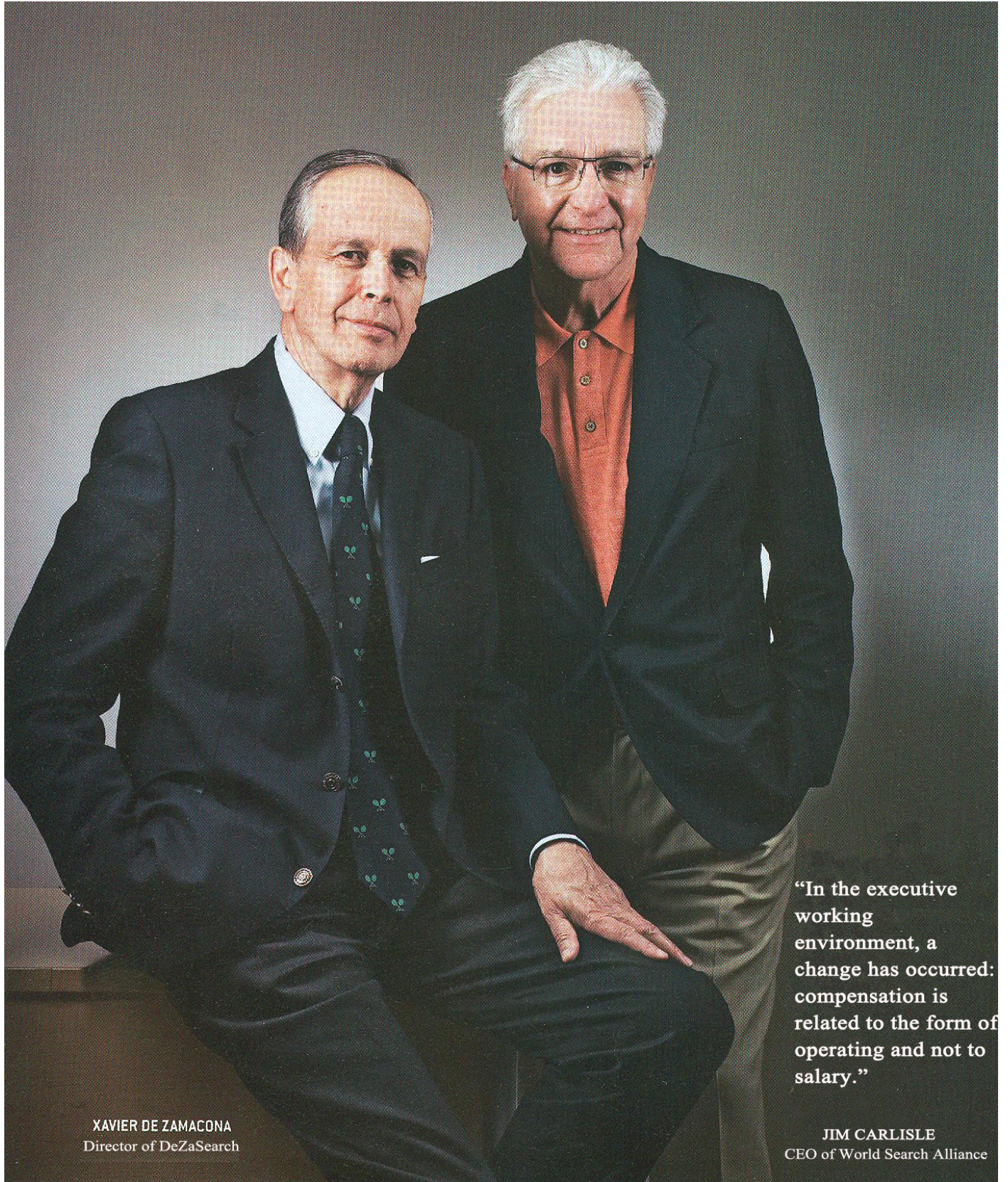


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XAVIER DE ZAMACONA
Director of DeZaSearch

“In the executive working environment, a change has occurred: compensation is related to the form of operating and not to salary.”

JIM CARLISLE
CEO of World Search Alliance

STEALING EXECUTIVES

A FAST-EXPANDING EUROPEAN COMPANY HAS CREATED AN ALLIANCE OF INDEPENDENT CONSULTING FIRMS, ALL CONNECTED TO A CORE NETWORK. ITS MAIN OBJECTIVE? TO GLOBALIZE THE HIRING OF HIGH-LEVEL EXECUTIVES.

BY MANUEL ARBOLI

They say they have a local focus with a global perspective. It is the World Search Alliance, a consulting firm for executive search which is ranked among the top 20 companies of the sector at the global level.

It was founded in 1984 by 3 Europeans (from the United Kingdom, France, and Germany) and at present, it has presence worldwide. At each location, the consulting firms are independent and are not owned by the alliance, but they are connected to the core network. In the middle of 2009, the consulting firm changed its name to the one it currently has to better reflect that global aspiration.

The search system of the World Search Alliance lacks formalities and established programs, since it aims to find the *perfect fit* (the person which fits the position perfectly and at the most opportune moment).

Jim Carlisle, general director of the firm, commented with **Alto Nivel** the most important aspects of the firm's mission, which provides service to international customers, and to multinational Mexican and foreign companies, which are searching for medium and high management executive levels.

However, for the consulting firm, the titles are not that important (director, manager, etc.) since rather, what is being managed are the salaries. The general director of a company could have a lower salary than the one of a medium manager of another much larger and powerful company. There

are salespersons, says the person interviewed, that may earn much more than a manager.

But there is a tendency to bring into line the salaries of the top executives, particularly of financial companies, with the objective of avoiding a new crisis. One must not lose sight that this is the first crisis which has treated the great businessmen cruelly.

It was the Royal Bank of Canada, one of the 10 most important banks in the world, which recently announced that it had reduced salaries by 10%, besides making changes to its bonus policy. "If the year is not going well, the executive shall not earn the bonuses which he would have received during a bonanza; maybe the bonuses owed to him could be deferred to the following year or the person could be compensated through other benefits, depending on the policies of each institution, but in that bad year, he shall not earn as much."

ETHICAL CHANGE

Now then, all of these comparisons and reductions in salaries bring a complication not of monetary nature. Why should an executive want to move to another company if he will earn the same salary more or less? Why would he want to run the risk of being uncomfortable if he shall earn the same salary more or less? What is going to be the incentive to rise?

The executive of the World Search Alliance points out that the consulting firm has "alternative working arrangements" so that the best prepared persons are granted higher salaries within the

range where there are placed, or that they may be granted specific days to work from their homes. Carlisle names this attitude regarding compensations as “ethical change.”

“We are questioning the manner in which business is carried out. It is like cleaning house. It is a rationalization of competencies; to turn them more rational. Wall Street finds itself in this situation. It is pondering how it is going to pay the 2009 bonuses. Let’s wait and see what their reaction will be.”

Payment through company stock has changed, not now, but 8 years ago, because of the year 2000 crisis. “Between 1997 and 2000, we placed people at lower salaries, but they were compensated with company stock. However, after the 2000 bubble, shares of stock have since become more fragile, those persons did not obtain the expected benefits. Thus, the model has had to change to the alternative working arrangements system,” highlights Carlisle.

WHAT WITH THE MEXICAN EXECUTIVES?

The World Search Alliance searches for executives in Mexico and that is the reason it has presence in the country. What are the merits which are looked for in those executives? The response is immediate: “that they have international experience and that they have also worked outside of Mexico. This international experience should have broadened their perspective. Also, even though the executive at the moment may be still working here in Mexico, -his country-, there are no Mexican companies with aspirations which are not aiming to grow internationally. If a high-flying company has not yet expanded outside of the Mexican borders, it won’t be long before they do it,” explains Xavier De Zamacona, general director of DeZaSearch Mexico, one of the consulting firms connected to the World Search Alliance network.

Nevertheless, if an executive is properly compensated and feels comfortable in his current position, it will be difficult for him to desire to go abroad, particularly if his children are adolescents. In order for him to accept a position abroad, his children must be small or should already be

studying in a university. The security of the country where he is targeted to go is another fundamental factor in agreeing to be transferred outside Mexico.

But, in addition to the aforementioned, the executives which the consulting firm will recommend must be well updated in their fields. Those with engineering or finance careers, states the director, have an advantage over other candidates. And obviously, the candidate must speak English. Age is not so important, unless the executives have already reached 55 years of age, since the firm promotes persons that can work during 8 or 10 years.

If it is a technology company, a young age constitutes a mandatory condition, since it is less probable that a 40-year old person can handle technology well, since he was not born with it, even though there could be exceptions.

THE FUTURE: CLEAN ENERGY

Regarding the future, Carlisle foresees that the technological sector (not only computers) shall have many opportunities. It is disconcerting that in an oil-producing country, such as Mexico, only the Polytechnic Institute has a petroleum engineering career, and only 40 people graduate each year in that specialty.

Also, the careers in alternative energy sources have a bright future, particularly wind-generated energy. The large ranches in Texas are being converted into wind or solar energy farms.

The imminent danger is that the United States could turn protectionist and close its borders. On the other hand, what is being thrown around is the idea that a Mexican executive is very well compensated and that complicates the situation even more for such a person to be required abroad. Brazilian, Argentinean, or Chilean executives are preferred.

For the year 2010? The consensus is simple: out of each dollar that you earn, save all you can, states the CEO of World Search Alliance.