

Issue #15

HIRING FOR SUCCESS

In business, reputation is everything.

Are your employees building or destroying your reputation?

In this issue:

Building relationships

Food sector is thriving

Don't believe all you read—
recovery is imminent

Better times ahead for civil
engineering



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FROM THE EDITOR

This issue of Hiring for Success focuses on some parts of the economy that are defying the odds. The weak rand has been a boon to the travel industry, while food is one of those resilient sectors that keeps on expanding through good times and bad. Yes, there is intense price competition in basic food products such as maize and bread, but food producers are increasingly moving into higher margin products and markets, such as Africa.

At PCS we like to keep our finger on the pulse of the economy. Our MD Philip Park reflects on the current state of the economy relative to previous times, and concludes we will come through this cycle just as we have done every time before. Journalist Ciaran Ryan looks at the issue of reputation and how vital this is to financial success in business. He also reviews the book *Shoe Dog* by Phil Knight, the founder of Nike – what an amazing story of triumph from almost impossible beginnings. Nike was for many years within a whisker of closing its doors. Today it is one of the most recognisable names in the world..

Then we go to our specialist sectors at PCS to get an insight into the state of recruitment in Food and Civil Engineering, while our Relationship Manager Geraldine du Plessis reflects on what makes PCS a shining star in the recruitment industry. We hope you enjoy and please send your feedback to gina@pcs-sa.co.za.

Gina Pond

DON'T BELIEVE ALL YOU READ

By Philip Park

MD Professional Career Services

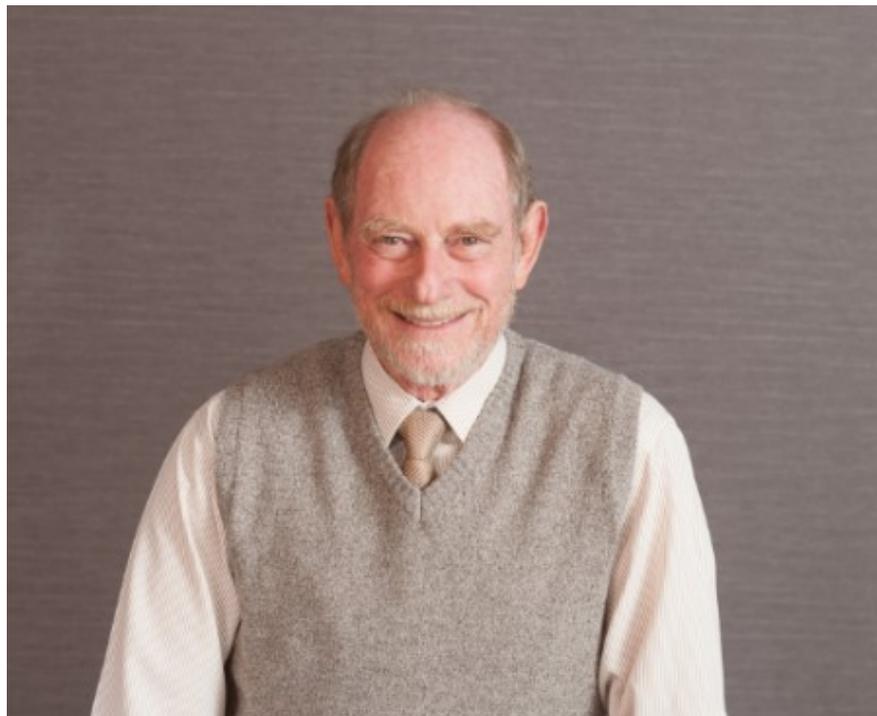
Reading the news, these are bleak days indeed. We've had four finance ministers in less than two years, and there is a war on for the soul of the ruling party. The ratings agencies have downgraded our credit rating, and the economy is teetering on the edge of recession. Money is fleeing the country in search of higher growth, lower risk opportunities.

Sometimes it helps to turn off the noise. The happiest people I know are those who never read or listen to the news. Not that I would go that far, but I cannot help but think that unplugging from the sewer of negativity is essential in maintaining some poise in this world.

Here's what I know about the current state of South Africa, something I glean from my interaction with other businesses and, of course, our clients: some parts of the economy are booming, notably tourism, travel and leisure and food. The weak rand has brought tens of thousands more tourists to our shores, and for proof of that you need only look at Cape Town's V&A Waterfront any day of the week. The shops and restaurants are bristling with visitors from abroad, taking advantage of the cheap rand.

The consolidation in the food industry is something which we are covering in this issue of Hiring for Success. Food is traditionally a defensive sector that has a proven ability to ride out economic slumps better than most. Even in bad economic times, people must eat. We've noticed an upturn in demand for certain skills in the food sector that points to better times ahead, so we thought we'd take a look at what's going on here.

Here's something else I know about the current state of the country: there are great entrepreneurs and managers who are getting on with the business of expanding their businesses in the face of difficult odds. Yes,



it's true that many South African businesses have expanded abroad and into other parts of Africa as part of a strategy to spread their risk. This is common business sense, something they teach in any business college: diversify your income stream and your geographical base as a hedge against uncertainty. On this point it is worth noting that, collectively, the Top 40 companies on the JSE now earn more than half their income outside South Africa. This process was started more than 20 years ago when the country turned its back on apartheid and the international trade and financial embargo was lifted.

This brings us to the bad news (and there appears to be no shortage of that). The construction and engineering sectors have been hammered since infrastructure investment fell off a cliff – which it did very suddenly after 2010. The same is true of mining, the result of a collapse in com-

modity prices. Companies in these sectors have responded to the slow-down by scaling back and moving their activities to where the work is, whether that is in SA or abroad. Indeed, we've noticed some surprisingly brisk mining and construction activity elsewhere in Africa.

PCS has been around now for more than 34 years, and we've seen worse economic times. One thing I know: all economic cycles eventually turn for the good, and this one will be no different. The turn will come. Until then, we carry on with the business of finding and placing the best skills for the job.

Philip Park

CIVIL ENGINEERING'S SIMON MAIMANE



There is a general perception that infrastructure-work in South Africa has dried up, but the demand for engineering candidates with the right skills remains robust, says Simon Maimane, who heads up the civil engineering sector at PCS. "Last year was a slow year for most, but our volumes were reasonably good. "We're still seeing strong demand for engineers with the right skills, such as design engineers and water engineers, particularly those registered with the Engineering Council of SA. A lot of this work is coming out of the government sector, and make no mistake, the work is there, particularly those with the right BEE status," says Simon.

When times get tough, you have to get even closer to your clients. "You cannot take an arm's length approach to your clients. We spend a lot of time getting to know the client's business in detail so that we can find candidates with the right skills set. We have a wealth of experience of the civil engineering market, and we understand the type of skills needed for different tasks. This is a huge advantage when it comes to recruitment."

Demand for candidates willing to work in Africa is on the rise, though these tend to be project-based, and of limited duration. Maimane has seen business troughs before, but they all eventually turn for the good. When that happens in SA, PCS will be at the forefront of meeting the demand, he says.

FOOD IS THRIVING

"The food sector is very buoyant right now, and demand for recruitment is high, in part because many of our clients are embarking on adventurous growth paths," says Lesley Holm, head of the Food industry at PCS.

Part of the reason is the spate of corporate activity in the food industry: Rainbow acquired Foodcorp in 2013, AVI has grown its African business and diversified into more specialised food lines.

Food is renowned as a defensive sector – even in tough economic times, people must eat. So how does this activity affect recruitment in the food sector? "In some parts of the industry, there is intense price competition, but we are also noticing a migration to higher value-added food products, and that is certainly driving some of the recruitment activity we are seeing," says Lesley. "The type of skills currently in demand are fairly specialised, in areas such as technical sales, quality assurance and production managers. This tells us that food companies are in a growth phase, with demand strongest in the higher value-added segment of the market." It's good to know that while the rest of the economy is virtually flat-lining, the food sector is taking off.



IN BUSINESS, REPUTATION IS EVERYTHING

By Ciaran Ryan

It's an old cliché in business that reputations take years to establish and an instant to destroy. I got to thinking of this when researching some of the dysfunctional state-owned enterprises (SOEs) that have been plastered all over our press in recent months.

Without naming the organisation concerned, a whistleblower came forward some months ago to provide details on the shocking behaviour of a CEO of one of these SOEs. Suffice it to say that this CEO was renowned for removing competent personnel by devious means – to the extent of filing bogus and anonymous “complaints” against the targeted personnel, then suspending them with pay “pending an investigation” – all the while pretending that the complaint was genuine. That type of behaviour would get any other person fired in an instant. Not in this case.

That CEO remains in her position, but all the best staff have left. The company's reputation has been trashed. Most press coverage relates to financial mismanagement, tender irregularities, board in-fighting and the like.

Can this reputation be restored? Absolutely, but only by removing the CEO and some of the suspect personnel that serve as political functionaries for outside interests.

Forbes magazine defines reputation as: Your actions + what other people say about you. That's a pretty useful rule of thumb, so let's stick with that. An American study found reputation had a huge impact on business success. Financial performance is important, but it is not the whole story – not by a long shot. Those companies that are seen to treat their staff well, hold customers in high esteem, deliver excellence in their products and service, and do good in the community are the ones who have the best reputations. Think BMW, Audi, Mercedes (yes, the Germans have cornered that market), Google, Microsoft,



Apple (the Americans) and Jonny Walker whiskey. A company doesn't have to be sexy to have a good reputation, but it helps. Elon Musk of Tesla Cars fame is an enigmatic leader, as was Apple's late CEO, Steve Jobs.

I would add Amazon and Uber to the above list, though both have been the subject of adverse publicity, not all of it deserved. British Petroleum's environmental record came under intense scrutiny after the Gulf of Mexico oil spill a few years ago, and there is some evidence that this has hurt its business.

Let's not underplay the role of employees in building a reputation. Employees are ambassadors for the company, but the tone is set at the top.

Slovenly, careless and dishonest employees will destroy your reputation. Rather hire the right people—those who will build rather than destroy a good name. Reputations are easy to build with the right people on the team.

How reputations are built

A US study identified the key components of organisational reputation:

Ethics: the organisation behaves ethically, is admirable, is worthy of respect, and is trustworthy.

Employees/workplace: has talented employees, treats its people well, and is an appealing workplace.

Financial performance: is financially strong, has a record of profitability, and has growth prospects.

Leadership: is a leader rather than a follower, and is innovative.

Management: is well managed, and has a clear vision for the future.

Social responsibility: recognises social responsibilities, and supports good causes.

Customer focus: cares for customers.

BUILDING RELATIONSHIPS



Geraldine du Plessis has been in recruitment for nine years and six months ago took over as Relationship Manager for PCS. This means getting to understand clients' businesses in minute detail, and ensuring that PCS meets their recruitment expectations. "A lot of recruitment firms come and go, but PCS has been around for more than 34 years, and this certainly speaks in our favour," says Geraldine. "I've worked many years in recruitment but I have never seen this level of candidate research and screening such as we do at PCS. This is because of the tremendous amount of training and the relentless emphasis on quality which is part of the culture here," she says.

Du Plessis says some companies are trying to save costs by bringing the recruitment function in-house, but many others prefer to stick with professional recruitment firms because of the network of candidates and specialised skills that they are able to draw on.

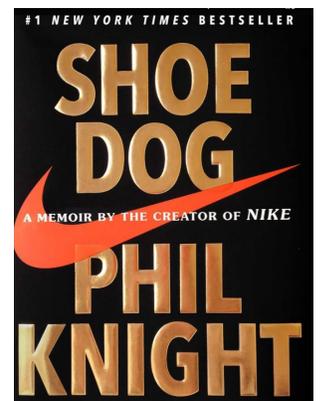
"Another factor that speaks in our favour is the level of specialisation we have at PCS. From Travel, Hospitality, to Food, Civil Engineering, IT, HR, Finance, Office Support, Legal and Construction, we have highly qualified and specialised recruiters who understand their sectors. This means we can take a brief from clients and deliver on that. Our turnaround times are good and perhaps the real acid test is, our candidates tend to stay with the company once placed. That is what clients want to see. We have a good story to tell and clients are receptive to that."

BOOK REVIEW: SHOE DOG BY PHIL KNIGHT

Ever heard of Phil Knight? No? Welcome to the club. He's the founder of Nike, the shoe company made famous by its iconic marketing slogan: Just Do It, and its famous swoosh logo, which he paid \$35 to an art student to develop – and wasn't at all convinced it would do the company much good. Today it is one of the most recognisable logos in the world.

Virtually all Nike's products are made outside the US, hence it's over-blown reputation for promoting sweatshops. The real story is that Nike delivered jobs and wealth to countries such as Vietnam at a time when they desperately needed them. And those "sweat-shop workers" are now driving cars. The only answer to poverty, says Knight "is entry-level jobs. Lots of them." Every politician here and abroad should be forced to read this book.

This book by the founder of the company is not just a fascinating story of one of the world's great businesses, it's also a great read. Knight was an athlete at University of Oregon, where he developed an interest in running shoes. When he later went to Stanford University for his MBA, he wrote a paper on the merits of importing sports shoes from Japan. He argued that Japanese shoes would impact the US market in much the same way as Japanese cameras had muscled market share away from the Germans in the 1970s. Knight started importing shoes with just \$50 loaned from his father. What's fascinating about this story is that Knight endured years of agonising struggle. Every cent of profit went back into the business to import more shoes from Japan.



It's hard not to like Phil Knight and identify with many of the insecurities and foibles that we all possess. His persistence and almost accidental success is what makes this such a riveting read. This is not a lesson in how to achieve business success. It's a memoir of a man possessed.