



**Economic Conditions Snapshot, June 2010: McKinsey Global Survey results**

It's been a tough two months for the world economy, with the eurozone at the core of executives' fears. But most predict that their companies will continue to grow. Over the past two months, the share of executives expecting troubled global markets to overwhelm domestic fundamentals has doubled, to 18 percent. This is perhaps the most telling of several findings from our most recent survey, indicating how deeply the eurozone's financial crisis has shaken executives' confidence in the world economy.<sup>1</sup> Indeed, for the first time since March 2009, the executives' confidence in the state of their own economies fell, as have their expectations for the future.

However, most see their companies' prospects as fairly stable, if a bit less rosy than they did two months ago. A strong majority of them still expect profits to increase, and the share expecting to hire remains stable overall, at about a third—though the prospects for workers in the eurozone are markedly worse. Executives still expect low consumer spending to be the biggest threat to growth, and they are a little more worried than they were: the share expecting demand to increase has fallen back to half, the level in February, from 60 percent in April. Executives at companies in China are pursuing growth from consumers in emerging markets more keenly than are executives anywhere else.

Source: [www.mckinseyquarterly.com](http://www.mckinseyquarterly.com)

**HR Issues a Key Risk for Business**

WHILE BRAND AND image are the key risk concerns for corporate Australia, HR issues such as attraction and retention of staff, succession planning, workplace safety, absenteeism and industrial disputes are high on the list.

A recent study found that, indirectly, HR concerns also factored in risks to brand and image, through issues such as compliance breaches, product quality, ethics, and social responsibility and community relations. Concern about HR risk was greatest among companies with revenues up to \$100 million, and this was driven primarily by the war for talent and the difficulty in competing with the workplace flexibility, benefits and training available from larger organisations.

Source: [www.humanresourcesmagazine.com.au](http://www.humanresourcesmagazine.com.au)

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**Research reveals major underinvestment in performance strategies**

The People Performance Report released this week by Kelly Services and CareerOne.com.au indicates that Australian businesses may be under investing in effective people performance strategies. Research for the People Performance Report investigated the strategies and methods used by 289 Australian businesses to achieve, build and sustain a high performance workforce and has revealed that while many organisations recognise the need to develop a high performance culture, they aren't investing enough time and resources to identify, develop and train people, and business growth is suffering as a result. A cross section of Australian businesses contributed to the research, which explored topics such as employee retention and turnover, tenure, HR functions, high performance culture strategies and barriers to implementing a high performance work culture. The report reveals that a large cross section of Australian companies recognise how high performance strategies can enhance business performance. They have some methods in place, but are willing to learn more and to explore new ways to work with their employees to create a strong workplace culture.

Source: [www.hcamag.com](http://www.hcamag.com)

**Taleo Research Finds Executives Have Less Than 25% of the "Talent Intelligence" They Need to Plan and Manage Growth**

As CEOs look for new ways to re-invent and grow their businesses, it will be crucial to identify, attract and keep top talent. Yet, while most businesses know their employees' titles, salaries and benefits packages, few have visibility into the past achievements, skills, aspirations, performance and potential of their staff. This "Talent Intelligence" visibility is key to effectively plan and manage growth. In this volatile global economy, Talent Intelligence can make the difference between innovation and obsolescence, growth and stasis, market leaders and market laggards. In fact, the HCI and Taleo Research survey found that all companies desire greater intelligence about their staff, but very few have access to the perspective they need today

Source: [www.taleo.com](http://www.taleo.com)

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