

on the GRAPEVINE

with **JOE DERMODY**
joe.dermody@examiner.ie



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any other business...

PwC names eight partners to service North American clients

■ **BUSINESS** services firm PricewaterhouseCoopers (PwC) has appointed eight new partners, partly inspired by strong demand from North American clients for investment and business opportunities here. Liam Diamond has become a partner in PwC's tax and inward investment practice. He will advise US and Canadian MNCs on the tax and legal issues and opportunities when doing business and investing in Ireland. He will also oversee the Irish tax desk in PwC's New York office. Richard Day has become a partner specialising in financial reporting processes and systems and the effective use of technology including databases, spreadsheets and XBRL. Investment management partner Joanne Kelly will work with clients in the domestic and international market focusing on mutual and hedge fund products. Thérèse Cregg will provide assurance and business advisory services to

indigenous and international clients in the Consumer and Industrial Products sector. James McNally will advise on international tax planning and structuring, with particular emphasis on pharmaceuticals, petroleum and intellectual property. In response to the continued strong activity by privately owned Irish companies and the Not-for-Profit sector, John Dunne has become a partner in PwC's Business and Wealth group. Susan Kilty becomes a partner in the technology, information, communications and entertainment and media practice, providing corporate tax services to a range of domestic and international clients operating in these key sectors. Ronan Furlong has become a tax partner in the South East practice heading up a team of over 20 tax practitioners in the Waterford, Wexford and Kilkenny offices, providing taxation advice to indigenous and multinational clients.



Big moves at PricewaterhouseCoopers: John Dunne, Richard Day, Thérèse Cregg, Ronan Murphy (Senior Partner), Donal O'Connor (Outgoing Senior Partner), James McNally, Susan Kilty, Liam Diamond, Joanne Kelly and Ronan Furlong.

A lotto French relying on luck

FRENCH people place as much faith in getting rich through lottery tickets as through honest graft. While this slightly unrealistic attitude is shared with many Irish people, the majority of those living in Britain and Germany believe that wealth will only come about through hard work. A survey published by TNS Sofres has found

that 39% of French people count on becoming rich through lottery and other forms of gambling windfalls, while 40% count on becoming rich through their own endeavour. Some 60% of French and English people surveyed believe that being rich means having a personal wealth of €1.5 million or more.

Keep staff happy for the sake of your bottom line

TECHNOLOGY and finance workers have plenty to smile about, as employers will spend the next two years serving up a smorgasbord of enticements to recruit and retain top performers. Over 93% of senior managers in the Irish IT and finance sectors say it is more difficult to find high-performing candidates than it was two years ago. The vast majority know it is only going to get harder, and most are hoping bigger salaries will bridge the gap between their needs and the soaring expectations of their best staff. "Very few companies have a talent management programme in place," notes Stephen Kennedy, MD of Dublin-based recruitment firm Talent Partners. "Most senior managers think retaining their top performers is all about money, but it is also about challenges and opportunities. You must communicate to people where you see them in two to three years time."

"People don't always get the credit for their creative work, which they sometimes feel is denied them by a senior manager. People want autonomy, challenges and the plaudits when they do good work. Employers give far more attention to people during the recruitment process than they ever give them subsequently. Once they're in the door, they're left to get on with it."

In fact, most companies have no clear policy on how to retain their best performers, according to a survey of 53 leading Irish financial and IT companies, insurers, banks, building societies. There are some remarkable findings in the Market Dynamics survey, commissioned by Talent Partners and MRI Network. For example, the survey found more top performers were seeking opportunities and challenges than a better rewards package. Despite this, only 12% of employers had any plans to retain their star staff through this means. The vast majority cited higher salaries, bonus structures and a fast-track to promotion as their main retention tools.

Employers in the IT sector have certainly been throwing money at their retention problems of late. The latest surveys by online job agency RecruitIreland.com shows chief technical officers are earning up to €140,000, programme managers up to €100,000, while certified security specialists are on up to €90,000 per annum.

More companies are having to look outside their traditional incremental salary scales and fixed bonus schemes. More and more IT and financial companies admit they've had to secretly or even openly throw away the rule book to hold onto their stars. This is particularly true in the area of sales.

"Companies need to stop the egalitarian approach and realise we have to treat high performers differently," said one HR manager in an ICT company.

The cost of being equitable can be huge. The average figure quoted by companies surveyed by Talent Partners



Stephen Kennedy, Managing Director of recruitment firm Talent Partners, Howth, County Dublin.

was €237,000, though some estimated the real cost of losing top talent at €1 million or more. This includes the cost of lost production, recruitment in hiring a replacement, reduced staff morale, and the time for a new employee to get up to speed.

The lack of available replacements in Ireland is aggravating the problem in Ireland. Despite this, the survey found only 3% of employers constantly recruit abroad.

"Nearly half of the ICT companies surveyed say they only look in Ireland for new talent," said Stephen Kennedy. "And of all the companies we surveyed, only 17% have a policy in place for attracting and retaining high performers. Overall, more than half said they had lost a top performer in

the last year. This figure rose to 70% in the finance sector. And yet they have no policy to retain these people."

"Liverpool reached the Champions League final last season, but they still brought in six new players this year. In business, when a top performer leaves, several others follow. If Donal Og were to go today, three or four others would go with him. The departure of a top performer demoralises other staff. Even worse, they often take your clients with them. It's hard to put a figure on the loss of customers and intellectual capital."

If employers can find a way to retain top performers, they're best advised to do so. This is definitely one case where prevention is lot better than trying to find a cure.

Stop press: Something in Ireland is cheaper than somewhere else

■ **MILLIONAIRE** yacht owners may opt to enjoy 'la dolce vita' in Ireland instead of Sardinia this summer due to a new state mooring tax over there.

Sardinian restaurant owners are losing out on €2,000-a-night yachting clients horrified by the state's new tax. They're refusing to pay the €1,000 imposed on 14-metre yachts and €15,000 on 60-metre yachts.

Local business owners are enraged at what they see as the Italian government's ham-fisted bid to crack down on tax evasion.

Traffic has been seriously reduced at ports all over the former tax haven of Sardinia after economy minister Tommaso Padoa-Schioppa vowed to crack down on the "pandemic" of evasion. Sardinia, where

former PM Silvio Berlusconi moors his yacht outside his holiday home, feels it is getting more of the rod than anywhere else.

"We tell people who come to our ports that we'll do everything we can to help them avoid the yacht tax," Castelsardo's mayor Franco Cuccureddu has told the Reuters news agency. But minister Padoa-Schioppa is closing in. He estimates Italy is losing about €100 billion per annum to tax dodgers. He said that amounts to four times the rate of evasion per capita in Ireland, Austria and the Netherlands.

However Sardinian business owners say the minister's tax swoop will only serve to drive billionaires away from Italian shores to... Ireland. Every cloud has a silver lining.



Italian PM Silvio Berlusconi, right, enjoying the Italian version of the Galway Races on Sardinia. Improved enforcement may drive tax-shy holidaymakers to Ireland.

Picture: AP/Striscia la Notizia TV

Inheritance loophole under revision

ON the subject of the lifestyles of the rich and shameless, we understand our friends in the Revenue Commissioners are about to crack down on deathbed planning.

We understand the tax folks have their beady eye on the common practice of the megarich avoiding the payment of inheritance tax by gifting large chunks of their assets to their offspring. At present, you can still legally avoid

taxes by handing over exempt gifts and immediately chargeable gifts to your children while you are still alive.

We don't know yet what form the crackdown will take, but we can very likely expect a shift in the threshold and the size of gifts being exempted. If you are in an elite club shocked by this news, perhaps you should tell your folks to leave the yacht in Sardinia after all.

Ireland second wealthiest country

WEALTH in Ireland increased by 19% last year, according to the latest Bank of Ireland's Wealth of the Nation report.

The country's net wealth increased to €805 billion. This makes Ireland

the second wealthiest country in the OCED behind Japan, and ahead of the US, UK, Italy, France, Germany and Canada.

Wealth per capita is €196,000, compared to €168,000 in 2005.



■ **CIARA FOLEY** has joined Liberty Asset Management as life and pensions consultant, leaving a similar role with Doyle Pensions and Insurance Management. She brings a wealth of experience in investment and protection products to the role. She holds a BComm in Business Studies and French. She is also a qualified financial adviser.



■ **DEBBIE MCCONNELL** has been appointed business support divisional director with Bank of Scotland (Ireland), having joined in 2003 as senior operations manager. She has also worked for Lombard's Irish division for 14 years as an area manager. Her brief includes asset finance, including credit and underwriting, sales support, disbursements and customer services.



■ **MICHAEL JOHN GORMAN** has been appointed director of the Science Gallery at Trinity College Dublin, located in the new Naughton Institute. He joins from Forfás where he was a senior manager for the national science awareness programme Discover Science and Engineering. He has held fellowships at MIT, Harvard University and Stanford University, USA.



■ **ROISÍN DORAN** has been appointed as alumni officer at NUI Maynooth. She has previously worked as business manager for Science Recruitment Ireland and as project manager for Riverdeep. She holds a BA honors degree from UCD as well as a post-grad in Business. She has worked extensively in the USA for multinational companies including Yahoo! and AOL.



■ **AMANDA SWIFT** has been appointed as general manager for Ireland with recruitment and HR firm Kelly Services. She has eight years of recruitment experience. A graduate of the University of Ulster, Amanda was previously southern regional manager for Grafton recruitment. She also holds a BA (Hons) in Business Studies with Marketing.



■ **EAMONN TYRRELL** has been appointed senior consultant with Decisions Limited. He previously worked as a technical consultant and IT manager with New Horizons Ireland. Previous to that Eamonn worked for five years as a MIS administrator for TV3. He holds a diploma in Import/Export Business from Niels Brock College, Copenhagen and several IT industry accreditations.



■ **DAMIAN DEVANEY** has joined O2 Ireland as marketing director, leaving a similar position with Coca-Cola Ireland. He worked in key marketing positions in Eircom, and in marketing and retail marketing positions in Diageo where he worked on key brands like Guinness and Baileys. He holds a BA and Graduate Diploma in Business Administration from University of Limerick.



■ **DAVID HANNON** has joined Deloitte as manager in the executive selection team. He brings over seven years of recruitment experience. His new role will focus on clients within the financial services industry. He joins from the Parc Group where he was division manager for over four years. He previously worked with the Professional Placement Group for three years.

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