

## When will the lights go out?

One only has to read the national press to appreciate that "When will the lights go out?" is not just an hypothetical question. As a result of European legislation on emissions, a significant number of coal-fired power stations will be closed no later than about 2016: in reality their emissions permits may well expire even before that. The UK's oldest nuclear power stations are already life-expired and are beginning to be closed and demolished (the original Magnox stations). Even the newest, Sizewell B, has only about 20 design years left. The "dash for gas" in the 1990s led to a major building programme that left the UK well positioned (so long as the gas keeps coming from Norway and potentially Russia). However that building surge stopped some years ago and little is actually being done to replace the coal and nuclear stations and time is now short.

With the well rehearsed difficulties surrounding the UK planning process - for example Terminal 5 - there is a real question about how quickly new stations can be built. Environmentalists are already working to delay E-ON's proposed "clean coal" station. Wind farms arouse lots of local opposition and, as we discovered in the recent freezing weather when energy demand shot up, the wind doesn't always blow! New nuclear stations will not be cheap and capital is becoming scarcer and more expensive - even for the big players.

So 2016 has always been a challenging timeline and the longer we do nothing the more challenging it becomes. As South Africa recently discovered, once you pass the tipping point it is very difficult to maintain the integrity of the grid *and* keep the lights on for 24 hours a day. It will probably take at least five years before supply catches up with demand in South Africa. On the positive side - a good recession helps! As we have seen with oil demand - the high prices of 2008 and now the collapse of consumer and industrial demand - supply worries have quickly been dissipated and prices are falling.

So, should we worry? Indeed yes! Of course, we could get a derogation from the EU - but isn't the Government and indeed the Opposition, trying to establish its "green leadership"? Maybe the banks will suddenly heal themselves and credit will become easy again. Environmentalists presumably like their lights on too so they too could also change tactics? We could also count on the existing nuclear plants running longer - as indeed they could. All that said, the position by the middle of the next decade could become quite fragile.

None of this is new, but nevertheless we face a potentially difficult set of decisions and the clock won't stop.

Dr Edward Libbey, [ehl@cliveandstokes.com](mailto:ehl@cliveandstokes.com)

**A very warm welcome** to CSI News, the first issue of a newsletter from Clive & Stokes International. CSI News will be an occasional publication that we send out from time to time to clients and friends of Clive & Stokes International. We hope you find something here that you enjoy or that interests you.

2009 is a big year in the history of Clive & Stokes: it is the year of our fiftieth Anniversary, the company having been founded on February 9, 1959 by Robbie Clive and Sir John Stokes. This means that we share the year of our birth with that of the Mini, the Barbie Doll, the film Ben-Hur, the book Goldfinger and the UK postcode. 1959 was an interesting year all round - no less so than the current one is turning out to be!

We hope you enjoy this first issue of CSI News and if you have any thoughts as to topics you would like to see, then please contact the editor, Gavin Hyde-Blake. [ghb@cliveandstokes.com](mailto:ghb@cliveandstokes.com).

## What goes around comes around

About six years ago the FT provided us with a daily diet of letters, news reports and features on corporate governance failures in the light of the demise of Enron. The last few months have been much the same, this time prompted by the perceived failures of the non executive directors of our major banks.

Some of us are left with a profound sense that we will never be satisfied and that no amount of further regulation, guidelines or codes of conduct will ever put an end to business failures. There has been, from government and the media, an instant knee-jerk reaction to these events to increase legislation or regulation to ensure this is not allowed to happen again. This, potentially, would be a mistake.

If there is a way forward it must be to continue appointing high quality people with lots of relevant, quality experience and, most importantly, strength of character (blended with tact and diplomatic skills) to our company boards.

These qualities are needed just as much in the executive directors as the non executive directors: we must not let the current cries for strong non executives undermine the concept of the unitary board which continues to serve us well.

John Collier, [jc@cliveandstokes.com](mailto:jc@cliveandstokes.com)

## Twittering your way into an HR job

In the past ten years the technology explosion has prompted many organisations to recruit new staff electronically. Some businesses have established their own in-house search resources, identifying talent through electronic means. This is becoming more the norm as the global downturn pressurises business costs. At the same time, particularly as recession has hit, applicants have also become educated in using technology to research organisations, network and identify vacancies themselves.

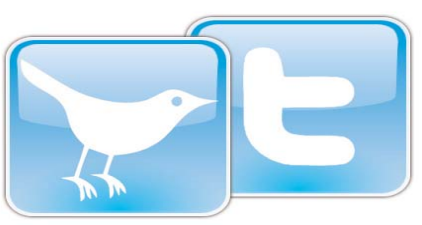
This is the first downturn of significance within the age of personal computing access and certainly since the onset of online networking. Business network sites have seen an increase in traffic following the banking collapses in October 2008, with the LinkedIn business network resource growing dramatically, acquiring new members across the globe at the rate of one every second since the downturn.



computing access and certainly since the onset of online networking. Business network sites

HR applicants at senior levels have traditionally found the way that search firms are organised is counter-productive: most firms are organised upon market sector focus whilst the HR community requires a functional specialism. On becoming candidates, HR practitioners have traditionally networked more than others and thus the technological advances have structurally suited them.

The third party marketplace has also become increasingly fragmented. As a result, some applicants in the HR market are becoming less reliant upon the more traditional



and conventional methods of job hunting. They will still contact search firms and even look in the national press, but increasingly they are taking initiatives themselves, using the web to research companies and make network connections independently.

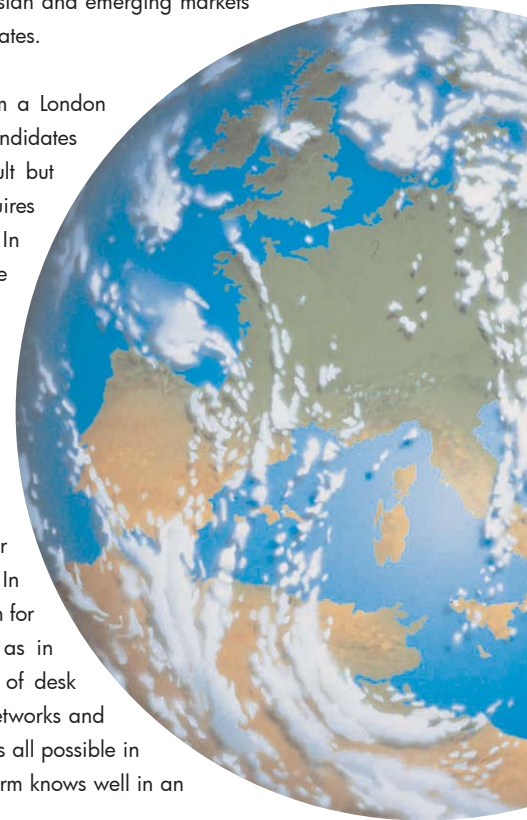
These changes will challenge the traditional third party search & selection business models within the most transferable skill of all, Human Resources. To add value, executive search firms, such as Clive & Stokes International must understand the function across all sectors and have the tools to accurately assess candidate and client cultural fit through their experience and rigorous assessment processes. A search firm should add value as a professional service, not just as a transactional sell.

Mark Tullitt, [mt@cliveandstokes.com](mailto:mt@cliveandstokes.com)

## Time zone... what time zone?

There is a huge wealth of experience at Clive & Stokes and although there are some changes, the core product of executive search has remained the same for all of us, with one exception: we work in a truly global world searching for expatriates and nationals. In the energy sector; oil, gas power and renewables, this is relevant. Executives are found or needed in often challenging markets and in the past 12 months alone we have searched in Egypt, Kazakhstan, Uganda, Germany, Spain, Nigeria, Pakistan, USA, Singapore and the UK - all from a London base. Our clients, whether European or American, often want local hires whilst Asian and emerging markets clients often want expatriates.

How do we do this from a London office? To find local candidates overseas, it is not difficult but time consuming and requires a systematic effort. In smaller markets, the challenge is to penetrate a defined strata of educated professionals where the word is passed around quickly. Senior people are open to taking calls and there is an appetite to work for a non local employer. In larger markets, the search for candidates is the same as in the UK. It is a mixture of desk research, cold calling, networks and recommendations. This is all possible in a sector that the search firm knows well in an overseas environment.



The advantage of using the search consultants who took the briefing and may not be local, is that they know what will "fit" with the culture of the hiring entity. Delegating the research and assessment to a local recruiter does not always provide the best results.

The market for expatriates willing to relocate overseas is increasing because of the "credit crunch". Six months ago the work place could not put demands on employees for long hours and overseas placement. The work life balance was important with dual income families but the market has changed with the insecurities of employment. On the other hand clients are increasingly trying to nationalise the work force in order to manage costs and diversity.

Jayne Maxwell, [jm@cliveandstokes.com](mailto:jm@cliveandstokes.com)