



Just in case it matters to you:

- **BAD HIRING AND BAD MANAGING OF EMPLOYEES HAS TREMENDOUS IMPACT** on any organization's efficiency, effectiveness and financial performance. Direct and indirect costs of new employee failure include wasted payroll & recruiting costs, lost time and stress for managers, disruptions, and often higher turnover among other productive employees. According to Corporate Leadership Council, "40% of new hires need to be dismissed within the first 18 months while others will just hang on, treading water. An Industry Week study of some 20,000 new hires found, comparably, that close to half failed within their first 18 months, over 80% for "behavior reasons" – 26% couldn't "accept feedback," 23% were "unable to understand and manage emotions," 17% lacked "the necessary motivation to excel," and 15% simply had "the wrong temperament for the job." DCG and our affiliates help clients improve hiring decisions through more focused job descriptions, more effective interview process and by applying personality testing for key positions. [CRACKING THE PERSONALITY CODE – 2008]
- **THE U.S. DOLLAR IS STILL PRE-EMINANT, FOR NOW.** "For all the talk about change, the dollar's importance to the world has not diminished. In the foreign exchange market, it has actually strengthened following the outbreak of global crisis. When investors fled to safety, they fled to U.S. Treasury bills...and sought refuge in the most liquid market for U.S. Government-backed securities. *Since then, the dollar has fluctuated, but there has been no dollar crash, and no evidence of a loss of confidence.*" That's today. But "excessively low interest rates and easy credit are conducive to asset bubbles and, ultimately, financial instability... A process of financial deglobalization has already begun, and it will mean less foreign financing for the U.S. budget and balance-of-payments deficits. Meanwhile, the government will emit vast quantities of public debt for the foreseeable future. Together, these trends in supply and demand are a recipe for a significantly weaker dollar. And, as central banks suffer capital losses on their outstanding dollar reserves, they will start considering alternatives – especially likely because these trends are superimposed on an ongoing shift toward a more multipolar world. The growing importance of emerging markets has sharply reduced U.S. economic dominance, weakening the logic for *why* the dollar should constitute the largest part of central-bank reserves and be used to settle trade and financial transactions." [FOREIGN AFFAIRS – Sep/Oct 09]
- **'RIGHT TO PRIVACY LAWS' ARE NOT ABSOLUTE IN THE WORKPLACE**, if the employer has a "legitimate competing interest." Examples: (1) Eavesdropping on or recording of confidential conversations is prohibited unless the company has a "clear policy...and the public gets a pre-recorded message that calls may be monitored for quality assurance;" (2) Computer and email are not 'private' if a clear policy provides that computers are company property, to be used only for business purposes, and the company has a right to inspect to ensure business usage; (3) Video surveillance requires notice, to overcome employees' expectation of privacy; (4) Desk, locker, toolbox policies must be clarified with notice that contents are subject to search at all times without consent; (5) Use of two-way mirrors in "any locker room, restroom, shower, motel or hotel room is an absolute misdemeanor." [CITRON & DEUTSCH NWSLTR – Aug 09]
- **'DISTRESS' IN THE COMMERCIAL REAL ESTATE MARKET IS "STILL IN ITS EARLY STAGES** – between the first and second inning." Property values, already down by 50% in many markets, may be headed for "a spate of defaults, foreclosures and bankruptcies that could surpass the devastating real estate crash of the early 1990s." Office buildings, hotels, shopping centers, apartment buildings and warehouses all report increasing vacancies resulting from job losses, and "troubled" status is predicted for nearly \$100 billion in securitized loans by the end of this year. "The damage is expected to be even greater for banks" – now holding some \$2 trillion in construction/development loans and commercial mortgages, of which nearly \$400 billion worth are scheduled to mature through 2010. In this sector, "hard times have just begun." [NEW YORK TIMES – Sep 2, 09]
- **"IF YOU WANT TO GET MORE DONE, TRY DOING LESS."** A recent Stanford Univ. study tested abilities of people who 'multitask' – doing more than thinking task at a time – to conclude that "high multitaskers were less able to ignore distractions... were suckers for irrelevancy... had more fallible memories, and couldn't switch to new tasks as readily." [THE WEEK – Sep 11, 09]
- **WORD FOR THE WEEK: ADULT** – a person who has stopped growing at both ends and is now growing in the middle.