OPINION

Succession planning vs hiring 'boomerang' employees

We're having trouble filling an important vacancy due to the resignation of a highly qualified and experienced person. Since he left us three years ago, we have tried nearly everything, including pirating from a competitor. The workers we poached can't perform to our expectations. Now, we're at a dead end. Is there a solution to this predicament? — Thunder Bolt.

IN THE WORKPLACE
REY ELBO

ELBONOMICS: The key to creating an effective leader is another leader.

There are short-term and long-term solutions. For the short term, I'm proposing that you explore the possibility of rehiring the person who resigned three years ago. It's the fastest way to fill the gap. Who knows? You may be successful in attracting back a "boomerang employee" and solve your three-year old problem.

There's nothing wrong with rehiring a boomerang person. It's for the overall benefit of the organization. He will surely bring in additional experience. That's assuming that the boomerang person had a consistent and above-average performance when he was with you.

The challenge with rehiring former employees is the possibility that both of you may not agree on pay and perks. But you can always try. If you don't negotiate, then the answer will always be no. Which brings you back to square one. On the other hand, you may be in luck if your candidate is no longer happy in his current employment.

You'll know this when he talks to you about possibly returning to the fold. But before offering a package, do the following:

One, ask the boomerang person to send you an updated curriculum vitae to include the milestones with his current employer. The past three years can give you additional, if not fresh insights on his accomplishments.

Two, hire an external background investigator to check for any criminal records. There's no need to check with the human resource (HR) department, his boss or anyone from that same organization. You wouldn't want to jeopardize his relationship with his current employer.

Three, require the boomerang person to undergo a medical examination, including a drug test. You'll want to be sure that he's clean.

If everything appears to be in good order, require him to sign a job offer and an employment contract. Be firm about him needing to start all over again in terms of seniority rights.

LONG-TERM SOLUTION

The long-term solution is a dynamic succession plan. It's an effective solution for any eventuality like a valued worker leaving, becoming physically incapacitated due to illness or accident, or even dying. The only thing you can foresee with any certainty is workers coming up to their retirement age.

A succession plan must be reviewed periodically to be effective. Also, to avoid giving off false expectations, its contents must be kept confidential as the list of possible replacements can change at any time, being subject to fluctuations in the performance of your candidates.

Preparing a succession plan will require taking the following steps:

One, identifying key positions in every department. That includes those positions that are difficult to develop and fill in case of an emergency resignation. In most cases, this includes department heads and managers who possess special (or unique) leadership skills and competencies.

Two, defining 'must-have' competencies. What specific knowledge, attitudes, skills and habits must a candidate possess to become a possible successor for a key position? The HR department must conduct a competency mapping evaluation to identify and rank people according to their current skills.

Three, establishing the management gaps among candidates. The candidate's immediate boss should know all from conducting performance appraisals. What are these common management gaps? What is the number one gap? Is it about problem-solving or decision-making? What else?

Four, offering a management development program. Usually, this program requires one or two years of immersion in management and leadership. It can be patterned after an MBA program, except that almost all lessons are focused on the company's business. This requires that coaches or teachers be incumbent company officials.

Last, reviewing the succession plan as needed. This ensures the effectiveness of the plan to account for the personal milestones achieved by every candidate, the results of their annual performance appraisal, or any extracurricular activities of theirs that could be beneficial to the organization.

Having a dynamic succession plan is the key to ensuring the continuity of leadership in any organization. More than that, allowing workers to take over any vacant post is the ultimate solution of motivating workers and building their morale.

At the core of a highly energized workforce is the quality of your HR policies and the one-on-one professional relationship between employees and their management. The key, of course, is their mutual trust and respect for one another.

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62% of overseas professionals plan to return home within 5 years

SOME 62% of overseas professionals want to return to the Philippines within the next five years, according to global recruitment consultancy firm Robert Walters.

A Robert Walters survey with 120 respondents from various industries like banking and information and communication technology cited the need to take care of their families as their primary motivation for wanting to return.

"As the number of overseas Filipino professionals returning home continues to grow, it presents a valuable opportunity for local employers," Robert Walters Philippines Director Alejandro Perez-Higuero said in a statement.

About 46% of respondents seeking to return said they were optimistic about the Philippines' growth prospects and opportunities to start their own businesses.

Some 30% of respondents had no intention of returning, citing lack of confidence in the country's economic stability.

Of those who want to continue working overseas, 80% said their host country has a more stable economy than the Philippines.

"As business priorities undergo continuous transformations, it becomes imperative to address the ongoing shortage of highly skilled talent in the country," Mr. Higuero said.

"These returning professionals often possess enhanced technical skills and a more adaptable mindset, honed through their experiences in diverse international environments," he added. — **John Victor D. Ordoñez**

Japanese labor set to demand more pay hikes for next year

JAPAN's largest labor union federation is set to demand higher pay increases for next year, potentially providing the key element needed for the central bank to move toward policy normalization.

Rengo, the country's biggest trade union federation, plans to call for companies to raise wages by "at least 5%" in the annual wage negotiations starting next year, according to broadcaster NHK. The goal would be slightly more ambitious than the one set before this year's talks, when the union sought an "about 5%" increase.

FULL STORY
Read the full story by scanning the QR code with your smartphone or by typing the link
<bit.ly/45xjmS1>

The federation is expected to announce its target figures later as part of its basic vision for upcoming wage negotiations that culminate in the spring.

The slightly more ambitious goal may be one factor that convinces the Bank of Japan (BoJ) that wage hike momentum is likely to be sustained following this year's historic pay gains. — ***Bloomberg***

China chip gear makers grab market share as US tightens restrictions

SINGAPORE/BEIJING — As the US tightens its restrictions on China's semiconductor industry, Chinese manufacturers of tools used to make chips are benefiting, with orders from the country's foundries accelerating in recent months.

Domestic equipment manufacturers, such as toolmaker Naura and etching equipment maker AMEC, are winning a much higher proportion of tenders from Chinese foundries than in previous years, as chipmakers race to replace foreign-made equipment with domestically made alternatives, research showed.

Nearly half, or 47.25%, of all machinery equipment tenders by Chinese foundries from January to August 2023 were won by local manufacturers, according to an analysis of 182 tenders by Huatai Securities last month.

From July to August 2023, 62% were won by Chinese suppliers compared to only 36.3% from March to April, the brokerage's analysts said.

It marks a turning point for the industry, reflecting acceptance that US restrictions on technology imports are unlikely to ease and could get worse and that self-reliance — as urged by Chinese President Xi Jinping — is the way forward.

The Biden administration on Tuesday expanded measures aimed at China's chip industry that seek to stop Beijing from receiving cutting-edge US technologies to strengthen its military. The measures are expected to be updated annually.

China's foreign ministry said on Wednesday that it has lodged a stern rebuke over the latest chip restrictions, saying that they violated the principles of the market economy and fair competition.

"Before the sanctions, top Chinese foundries would use a small amount of machines from Chinese suppliers, but they would really only experiment with new equipment when they would add new capacity," one source briefed by the companies told Reuters.

"Now, foundries are testing out Chinese-made equipment for every foreign machine they own and if they find that it meets their needs, they replace all of them," he said. "They want as few foreign machines as feasible."

AMEC and Naura in particular were receiving more orders from China's largest foundries SMIC and Hua Hong Semiconductor, he added.

AMEC, Naura, SMIC, and Hua Hong did not immediately respond to requests for comment.

The equipment-related revenue of China's top 10 domestic equipment manufacturers grew 39% year on year for the first half of 2023, representing $2.2 billion in sales, according to a report by CINNO Research.

Chinese companies have been stockpiling foreign-made chip equipment from Japan and the Netherlands, but those avenues are also set to close with those countries expected to join the US in enacting restrictions in coming months.

Analysts said that Chinese manufacturers were getting better at producing equipment in areas such as etching and cleansing, where they compete globally with the likes of US firms Applied Materials, Inc. and Lam Research Corp.

Some AMEC machines have entered production lines for chips as advanced as those using five nanometer technology, it has disclosed in earnings reports. Its etching equipment is used to remove excess material from the surface of silicon wafers.

One China-based semiconductor analyst, who declined to be named as he was not allowed to speak to the media, said the quality of Chinese-made chip equipment was improving faster than he had anticipated, estimating that they were two years ahead of his original estimates.

"There is definitely huge progress happening in the Chinese semiconductor equipment space, as reflected in the strong revenue growth metrics," he said.

"Local players still lack capability to supply a full set of equipment, such as EUV," said Nori Chiou, investment director at White Oak Capital, saying Chinese manufacturers are focused on covering mature node equipment.

"It's a long way to go to see advanced semiconductor equipment made in China." — ***Reuters***

Biden administration easing Venezuela oil and gas sanctions after election deal

WASHINGTON — The Biden administration is easing sanctions on Venezuela's oil and gas sector almost immediately in response to a 2024 election deal reached between the Venezuelan government and the country's opposition, a senior US State Department official told Reuters on Wednesday.

The official, speaking on condition of anonymity, said the US was going ahead with broad sanctions relief for the OPEC-member nation. However, the US threatened to reverse these steps unless President Nicolas Maduro's government goes even further and agrees to lift a ban on opposition presidential candidates and release political prisoners.

The US moves follow months of negotiations in which Washington had pressed Caracas for concrete actions toward democratic elections in return for lifting some — but not all — of the tough sanctions imposed under former US President Donald Trump.

As a result of Mr.Maduro's concessions to the US-backed opposition, President Joseph R. Biden's administration is issuing licenses and authorizations that will include allowing Venezuela to resume long-suspended business with Caribbean nations, the official said.

It marks a significant step in the Biden administration's increased engagement with Mr. Maduro on issues ranging from energy to migration, shifting way from Mr. Trump's "maximum pressure" campaign against the socialist-governed country.

Mr. Maduro's government and the opposition reached an agreement in Barbados on Tuesday on electoral guarantees for an internationally monitored vote to be held in the second half of 2024.

But the deal did not remove bans on opposition candidates the government had barred from public office and made no mention of freeing political prisoners, falling short of what the US wanted to see.

The US welcomes the election agreement but considers it "a partial agreement toward an electoral roadmap," the official said, adding the US was ready to take more steps around Venezuela's crucial energy sector. "Today, tomorrow, it's going to happen quickly."

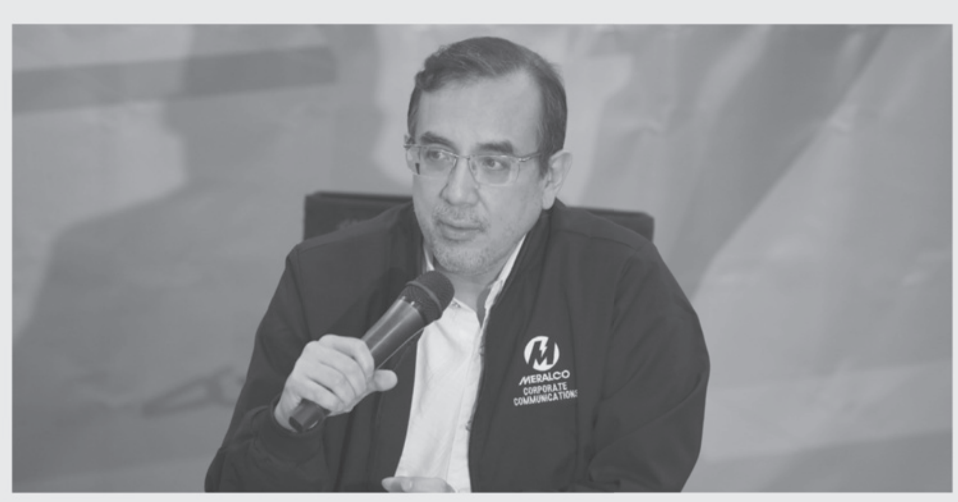
The official warned, however, that US decisions on relaxed sanctions would depend on Mr. Maduro complying with the latest agreement and working toward free and fair elections.

"We're willing to take specific actions, but if they fail to live up to their commitments, we can certainly withdraw those positive incentives," the official said.

The official also expressed optimism that the process would lead to the release in a "relatively near term" of Americans jailed in Venezuela and designated by the US as wrongfully detained.

The US imposed harsh sanctions on Venezuela to punish Mr. Maduro's government following his 2018 reelection, which the US and other Western governments rejected as a sham. Since 2019, US sanctions have banned state-run oil company PDVSA from exporting to its chosen markets.

A package that had been under consideration included resumption of gas exports to the Caribbean; expansion of Venezuela licenses for US and other foreign oil services companies, fuel providers and contractors; and at least one additional foreign oil firm allowed to ship Venezuelan crude for debt repayment, according to a source close to the negotiations. — ***Reuters***



Meralco Communications executive to speak at the 3rd General Membership Meeting of Public Relations Society of the Philippines (PRSP)

Bringing in his almost four decades of professional experience, Meralco Vice President and Head of Corporate Communications and Public Relations Society of the Philippines (PRSP) Trustee, Joe R. Zaldarriaga is set to take stakeholder management discussions to the next level as a guest speaker in the upcoming General Membership Meeting (GMM) of the country's premier organization for public relations professionals scheduled on October 24, 2023.

Zaldarriaga will be sharing his insights on how to effectively connect and resonate with stakeholders to help the new generation of communications professionals in boosting their stakeholder management capabilities to drive effective crisis communications, strategic communications, and media relations initiatives.