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True Faces

Diversity – Underestimated reserves



The hesitant economic recovery calls for new resources, more power, greater optimism. But where can we extract this additional capacity when the leaders we've had up to now were the ones who got us into the present crisis, but haven't been able to bring us out of it yet?

This capacity is actually at hand and can be used. The answer is: diversity!

We have all been doing lip service to the term "diversity" for some time. In contrast, Norway already effectively established a "gender quota" three years ago, an action which has led to astounding results. Both the public as well as the private sector reveal increasing numbers of female managers, and indicate that this trend is now welcomed by everyone, even though the measure originally had to be politically enforced.

In Eastern Europe, top positions such as works manager, production manager, and director of research and development have been more frequently occupied by women for historical reasons than in the west; today, however, the trend is no longer increasing.

In the public sector, women of nearly all European nations hold prominent positions. But Norway is showing that this also works in the economy as well. Two broad fields of activity for the creative female spirit offer promising perspectives: the supervisory board as well as all management positions which are "human-oriented" in the largest sense of the word. Here the principle of "leadership" is distinguished from "management" by emphasising the importance of not only "doing things right" but "doing the right things". If one simply considers the "closed society" of many large stock corporations, one quickly understands what is meant.

A recently published piece of news shows that diversity is also beginning to be welcomed here in Germany as well. The federal government is sending two women bank executives to join the supervisory board of the West LB, where it holds a stake of over two billion euros.

A truly rich stage for female talent exists for instance in adjudication and the law. Women make use of this arena as a basis for their careers, since the famous "glass roof" is not so thick or strong in legal circles, or at least not quite so visible. From here, however, the career path most often leads to political office, and seldom into supervisory boards.

A pool of competent, committed managing executives can be increasingly found in women networks, recalling their male counterparts during the time of the Industrial Revolution. Also the consulting sector provides real career opportunities for women. For instance, over 50 percent of the management and consulting positions are occupied by women at NeumannPartners.

Another field for realising greater diversity is the inclusion of other nationalities in supervisory board and management positions. Multinational companies, for the most part from the USA, give greater attention to this aspect, also in their European subsidiaries.

Incidentally, the sole faculty chair for Diversity Management in Europe is found at the University of Economics in Vienna. We hope that many more European universities will soon also take up this topic in their programmes of study as well.

As consultants, we are open and ready for the realisation of more diversity and internationalisation in executive committees of all kinds, and hope that the advantages of this still underestimated reserve of talent and skills will be recognised and exploited by an ever greater number of companies.

Dr. Helmut Neumann
Chairman/Founder

Dr. Hans Jorda
CEO

NEUMANN LEADERSHIP
GROUP



*A successful team:
Dr. Helmut Neumann (left) and Dr. Hans Jorda*

Delegation trips

First-hand information



Reinhard Kolvenbach,
Managing Partner at
NeumannPartners

Companies planning to do business in Asia have access to a great many sources of information. Chambers of Commerce or institutions such as the Eastern Asiatic Association (OAV) or the German-Chinese Trade Association (DCW), regularly offer informational events on regional or specialist topics.

Likewise, presentations on countries and regions are regular fare. As informative as such events might be in the initial stages of the decision-making process, one thing cannot be forgotten: such presentations primarily aim to give a positive impression in order to motivate entrepreneurs to invest their money. True, we get to hear from business people with plenty of local experience, but as a rule these are not the ones who have had negative experience, but mostly those who can tell a happier story.

In general, one can get more "realistic" information directly on location. For instance from companies already established in Asia with years of experience. In such cases, delegation trips are a good vehicle for talking with business representatives. Receptions put on for visiting delegations by the local

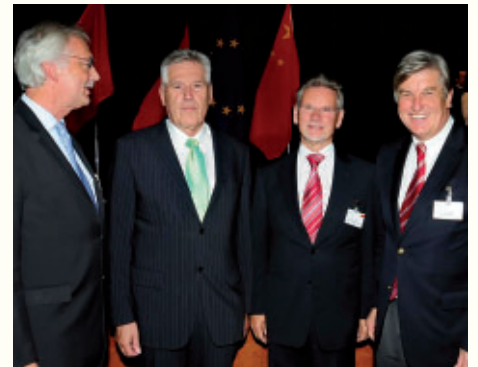
embassies or the representative Chambers of Commerce (German or Austrian) are excellent sources of reliable information. This is where the German-speaking community can meet and exchange the latest news. Competitive thinking doesn't reign in this context, since the peculiarities of life and the working environment of the foreign country weld you together. The more so that one's children attend the same (German) school, spouses tend to maintain an active social network, and official events become the common meeting ground of the community.

This is where one gets first-hand information about politics, economy, culture, and not least of all the market and the competition. This is where an entrepreneur interested in investing will also hear about special problems (and possible solutions) concerning topics such as corruption, poor education and training, and high employee fluctuation, as well as salary and wage structures, rent levels, etc. It is already generally acknowledged that Asia not only offers an immense business potential, but that it also presents enormous hurdles to overcome and the considerable risk of making wrong decisions through bad investments.

Entrepreneurs and managers are given the opportunity to join delegation trips provided by for instance the Federal Association of State Governments (Bundes- und Landesregierungen) or the German Chambers of Foreign Trade, the German Asia-Pacific Business Association (OAV), or organisations such as the German-Chinese Business Association (DCW), and various other associations. As a rule these are well-organised trips which also promote contacts to external service providers such as lawyers, business consultants, tax advisors, and sometimes even to political circles. One has to pay one's own travel costs, but the investment is worth it: you can help prevent making considerably more expensive mistakes.



Arrival of the Austrian Federal President
Dr. Heinz Fischer in Peking.



A delegation trip with the former German Federal
Minister of Economics Michael Glos.



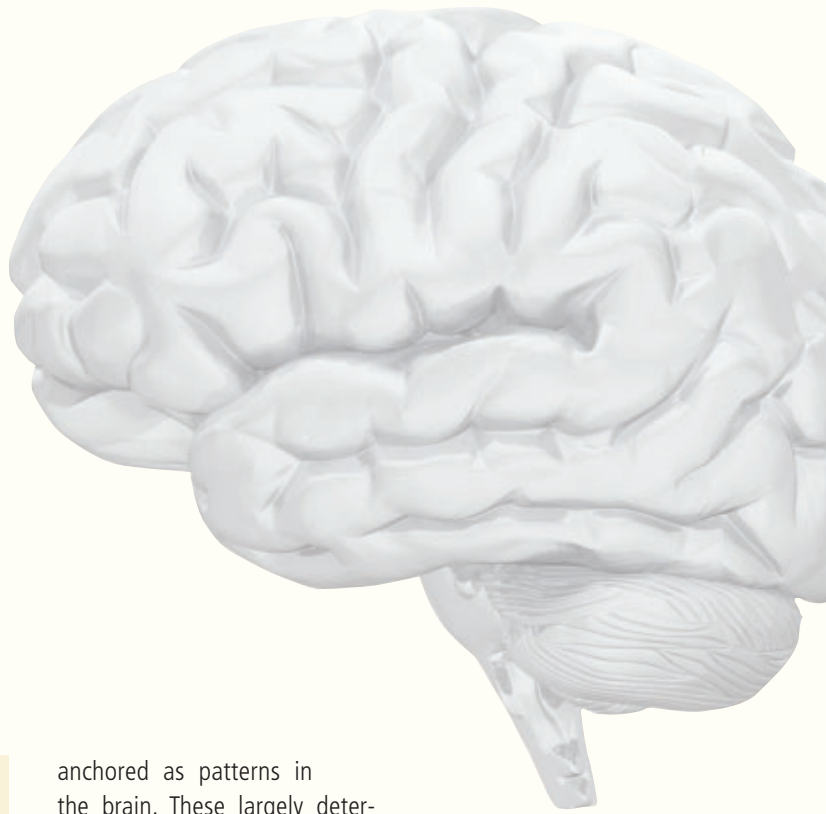
En route in the government jet.



Reinhard Kolvenbach with Rainer Brüderle (left),
Federal Minister of Economics and Technology.

Neuroscience provides insights into management qualities

Frontal brain lobe is crucial for competence in mastering complex situations



Jutta Menzenbach,
Partner at
NeumannPartners
in Cologne

Jutta Menzenbach has been researching the phenomenon of visionary company management for several years – entrepreneurial behaviour in an environment of complexity and uncertainty.

When choosing executive managers we must gain a comprehensive overall picture of the personality of the potential candidate and his or her performance capability. This is done via biographical data such as curriculum vitae, credentials and references as well as the personal interview, where the candidate's demeanour and language reveals a great deal. High performance capability, above-average motivation, and problem-solving competence are only a few characteristics exemplified in the profiles of successful managers. But we also know from our own observations that the behaviour of people is variously well controlled in situations which demand their initiative. Individual performance always depends on the accessibility and targeted use of existing resources. Expressed in simplified form: „How much of the available horsepower can be put to use on the road?“

How can we measure these crucial competencies for mastering complex challenges? Modern brain research has gained noticeable insights with state-of-the-art imaging methods: the ability to understand and master complex facts and circumstances has something to do with the interconnecting patterns of nerve cells in the human brain.

Early emotional experiences – hence everything a person has accumulated about himself and his relationship to the external world – are

anchored as patterns in the brain. These largely determine his later perception and behaviour. They affect his internal orientation, influence his decisions and govern his attention. What is perceived and what is not, or to what a person does or does not react depends on his sense receptors, which interact with the so-called "interior images" which act as empirical values showing either deviation or accordance with the new external images. The capability to successfully confront challenges is hence by no means congenital or in any way accidental. It is acquired by socialisation and the learning process.

The region of the brain where these complex neuronal circuits ultimately run together is the frontal brain lobe. Investigations have determined that the prefrontal cortex (PFC) evaluates an existing complex situation with regard to its significance for the individual action and one's individual experience, and translates the current motivational situation into action planning and activity control. Researchers call the following competencies controlled by this brain region



Executive frontal lobe function – among other things, this controls the focussing of attention on a solution to attain a goal.

“executive frontal brain lobe function”:

- Predictive thinking and action (strategic competence)
- Understanding complex problems and situations (problem-solving competence)
- Estimation of the consequence of one’s own actions (decision-making competence and prudence)
- Focussing attention on the solution to achieve targets (motivation and concentration)
- Timely recognition and correction of errors and faulty development (capacity to understand when an action is wrong, flexibility)
- Inhibition of spontaneous impulses and awareness of short-term success or other immediate needs in favour of long-term achievement of targets (tolerance of frustration and control of impulses)
- Empathy and observance of social rules of the game and common standards.

It rapidly becomes clear that these competencies represent a prerequisite for adequate managerial thinking and action and are therefore highly relevant.

Interestingly enough, damage of the PFC reveals no deficits in perception or intelligence, but is rather especially revealed in breakdowns in activity planning and individual personality. The affected person is not in the position to evaluate the consequences of his action. He can scarcely put himself in someone else’s position or perceive any sense of responsibility. Furthermore, he persists in well-tried approaches and cannot find innovative solutions in unaccustomed problem situations. He is enormously distractible, reacts immediately to changes and does not wait to see how matters which require an appropriately flexible approach might develop further. Accordingly, individuals who have prefrontal cortex damage often take high risks “with their eyes open”.

In the light of changing conditions, executive personnel must have the ability to focus their perceptions on what is essential to achieve the currently aspired goal. If the manager is able to control her indi-



A multitude of various competencies must be learned and trained in order to be able to develop appropriate skills in managerial thinking and acting.



Executive managers must be capable of directing their perceptions toward aspired goals despite unstable and changing environmental conditions.

vidual thought processes and activities flexibly and without internal conflicts, she can make the best use of her potential. This is especially true when a situation suddenly changes or if personal errors occur. The frontal brain lobe as “superior command centre” can enable the individual capability to master complex problems and situations in a balanced manner.

Neuroscience is already working on instruments to reliably measure executive frontal brain lobe performance. The effective performance capability of top executives, their thought processes, their intentions and attitudes – especially under pressure, fear and prolonged stress – often remains unrecognized. What’s more: in the scope of the usual recruitment and selection process for executive managers, candidates are unfortunately all too often successful in distracting from their personal deficiencies by their demeanour and locution. Examining these meta-competencies within the scope of executive recruitment could thus yield great benefits.

Sources: Hüther, G. (2007): Die Stärkung von Metakompetenzen als Voraussetzung für die Entfaltung besonderer Begabungen. Vortrag (Lecture): Karg-Forum 6.-8. Nov. 2007.

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“Our future development is geared towards global trends!”

Interview with Jens Meier,
CEO of the Hamburg Port Authority

The Hamburg Port Authority (HPA) was founded as a public corporation in 2005 during the course of the consolidation of port-related responsibilities of various Hamburg authorities. With its approximately 1,900 employees, the HPA operates a future-oriented port management from a single source, and is the contact partner for all questions concerning water and shore-side infrastructure, shipping traffic safety, port railway facilities, real estate management and the economic conditions in the harbour area.

NeumannPartners: Mr Meier, how does one deal with being responsible for the largest economic sector of a German state?

Jens Meier: By being conscious of one's role without assuming one is the hub of the whole world. I'm not the only one representing the Hamburg Port. The Hamburg Port Authority (HPA) employs about 1,900 people, all of whom bear their share of responsibility. And then there's the many employees of various companies in the harbour area, the official authorities, politicians, and also voluntarily committed citizens working in different associations and clubs who help make the port fit for the future.

NeumannPartners: How much does the permanent view of the public and politics aggravate a long-term planning and strategy for the Hamburg port?

Jens Meier: First of all, it is very important to make plans that are embedded in the environment. We don't operate in a vacuum. Our strategy has consequences for the future feasibility of the entire Hamburg harbour as well as on urban development and hence on the politics and daily life of many citizens. One must not forget that the Hamburg port is not located out in some "green meadow", but lies directly in the middle of the city. Responsible persons in Hamburg are very conscious of the great significance our port and harbour area has for the city of Hamburg. In the end we all profit from the process of controversial discussion of relevant questions.

NeumannPartners: How do you manage to walk the narrow line between political and economic decisions?

Jens Meier: The question assumes a basic dissent between the two spheres, which I don't see. We are very well integrated in Hamburg politics and the city administration. My experience is that the work done there is carried out with a good deal of economic ex-





Jens Meier is CFO of the HPA since April 1, 2008.

After studying Computer Science with a minor in economics, he began his career at Software Design & Management AG (Ernst & Young Group), where he became member of the board of management in 1997, responsible for the subsidiaries in Hamburg and Hanover. In 2000 he was designated President of Systematics AG (later EDS). As of July 2002 Jens Meier was Managing Director of tts Holding GmbH & Co. KG. With the sale of the tts Group to the Fiege Group, Mr Meier was appointed to the Managing Board of Fiege Holding Stiftung & Co. KG in Greven.

pertise. It's important that we provide a detailed factual basis for decisions and are able to convey why we consider a certain solution to be the best one, from our viewpoint as port experts.

NeumannPartners: The HPA is a member of the Hamburger Weg – what do you expect from this social commitment?

Jens Meier: As a Hamburg company, we hold traditional Hanseatic values such as community, commitment, and social responsibility in high esteem. The Hamburger Weg unites people, associations and companies who are also conscious of this responsibility and who make use of their energies on behalf of the people of this

city. The effort includes, for instance, offering young people a perspective in their lives.

NeumannPartners: Why did you switch from the managing board of a logistics company to HPA? It can't be for financial reasons.

Jens Meier: The Hamburg port is the life-giving artery of Germany's export economy. Without this harbour, Germany would never have become the world's export champion. It is a unique challenge for me to be able to help design the future of this vitally important player in our nation's economy.

NeumannPartners: How do you acquire qualified and committed employees for your company, and how do you retain them in the long term?

out the necessary search for suitable personnel due to age-related fluctuation by modern conventional means such as online ads and our career page on the internet, but also sometimes with the professional support of an HR consultant.

NeumannPartners: How is the Hamburg port positioned to be able to react to crises in the future?

Jens Meier: We are right now in the process of developing a new harbour development plan. The preparation included analyzing global trends and conducting market research on the economy. The future development of the harbour will have to be geared more closely to global trends. This also involves sustainability

"The Hamburg port is the life-giving artery of Germany's export economy. It is a unique challenge for me to be able to help design the future of this vitally important player in our nation's economy"

Jens Meier: The port exerts a huge fascination on people. This is often the reason why potential applicants want to work with us. The HPA also employs an unbelievably broad spectrum of occupational and professional fields, from skilled artisans to engineers, marine navigators, drivers, economists, real-estate experts, and lawyers – just to name a few examples. For us this means that on the one hand we provide training but also attempt to make early contacts to universities. Our HR development ensures that long-term perspectives and personal development of our colleagues are promoted and implemented. We accompany this process with extensive specialist and interspecialist opportunities for further education and training. We use specific analyses of potential to discover and promote talent, equally among managers and employees at all levels. We carry

as well as expected demographic changes and shifting customer markets. Only if we take all these factors into account will we be able to remain close to our customers in times of crisis. A concrete example of this is creating an integrated IT structure for the entire harbour area. If all players in the harbour are working with the same data, it would accelerate the transport routes and simplify formalities. The Hamburg Port Authority has already taken the first steps in this direction with several IT projects. A traffic management system will be installed this year, and the harbour railway will also be converted to a new IT system fit for future requirements. The goal is for customers to be able to know where their container is at any time.

The interview was conducted by Thomas Wilde, Partner at NeumannPartners.

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