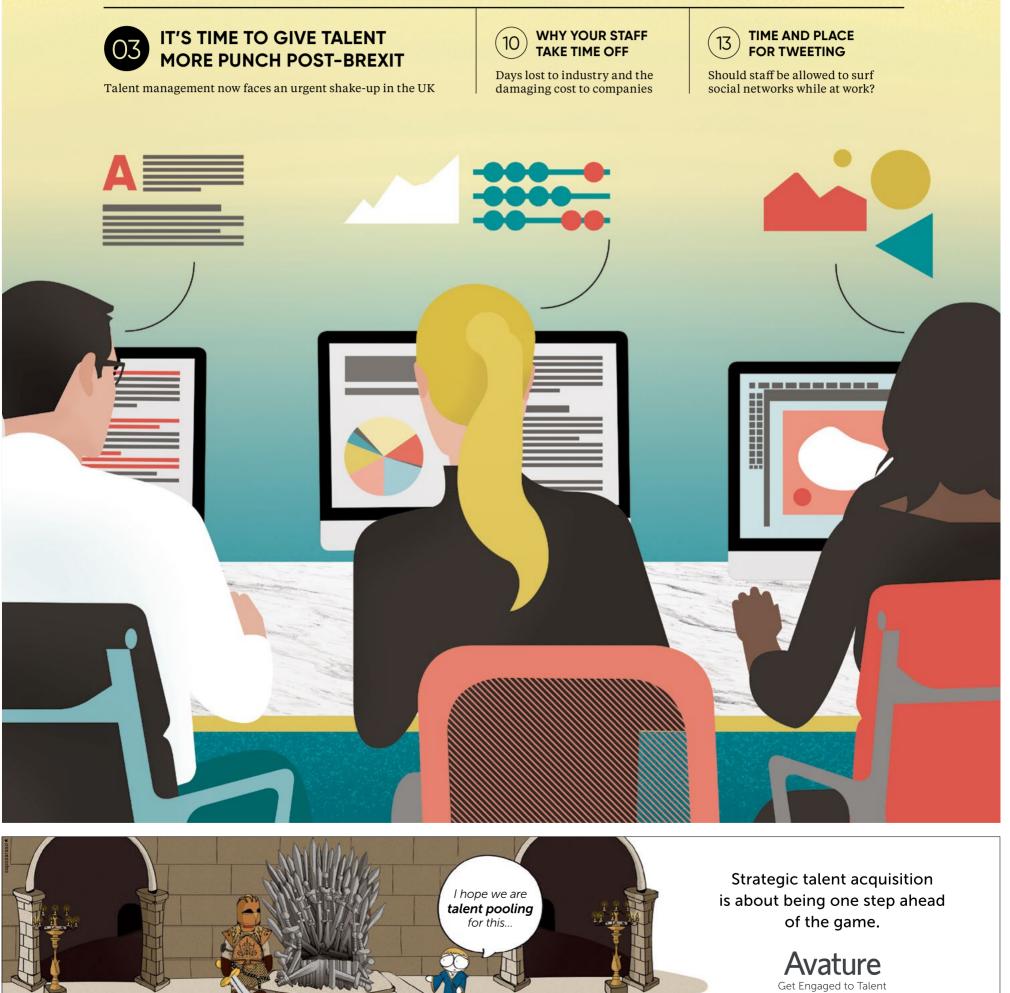
### RACONTEUR

# TALENT MANAGEMENT



# HIGH POTENTIAL core competencies for emerging leadership

p seen

nin nin nin

Leadership matters. Organizations spend millions of dollars identifying and developing employees with leadership potential.

Despite all this effort, most high potential programs fail because employees with leadership potential often go unnoticed. And the people that do get noticed don't always have what it takes to succeed.

Hogan's High Potential Report is the only tool that identifies the strengths and shortcomings that make or break a leader, and sets the stage for developing emerging leaders.

Supercharge your high potential program with the science of personality.

# hoganhipo.com

# HOGAN

#### **OVERVIEW**

#### TALENT MANAGEMENT

#### THE **TIMES**

PUBLISHED IN ASSOCIATION WITH

DISTRIBUTED IN ASSOCIATION WITH



**HRTECH** VORLD



RACONTEUR

PUBLISHING MANAGER HEAD OF PRODUCTION Senem Boyaci Natalia Rosek

PRODUCTION EDITOR **Benjamin Chiou** 

CONTRIBUTORS

**CLARE BETTELLEY** 

magazine, she has held

editorships at Financial

Times Business and

Centaur Media.

PETER CRUSH

Freelance busines

in human resources

he was deputy editor

**CATH EVERETT** 

Freelance journalist specialising in workplace

and employment issues,

impact of technology on

she also writes on the

society and culture.

of HR magazine.

journalist, specialising

and management issues.

Associate editor of Employee Benefits

MANAGING EDITOR Peter Archer DIGITAL CONTENT MANAGER Jessica McGreal DESIGN

Samuele Motta Grant Chapman **Kellie Jerrard** 

ALISON COLEMAN Writer and editor, she is a contributor to Forbes, The Guardian, Director, Economia and Employee Benefits.

she contributes to The Times, Financial Times, The Daily Telegraph and The Guardian.

Freelance journalist, she has written on a range of diversity issues, including disability, for national newspapers

NICK MARTINDALE Award-winning writer

and editor. he contributes to national business and trade press on a wide range of issues

Although this publication is funded through advertising and sponsorship, all editorial is without bias and sponsored features are clearly labelled. For an upcoming schedule, partnership inquiries or feedback, please call +44 (0)20 3877 3800 or e-mai info@raconteur.net

Raconteur is a leading publisher of special-interest content and research. Its publications and articles cover a wide range of topics, including business, finance, sustainability, healthca lifestyle and technology. Raconteur special reports are published exclusively in The Times and The Sunday Times as well as onli at raconteur.net

The information contained in this publication has been obtained from sources the Proprietors believe to be correct. However, no legal liability can be accepted for any errors. No part of this publication may be reproduced without the prior consent of the Publisher. © Raconteur Medic

🕑 @raconteur 🦿 /raconteur.net 🖸 @raconteur\_london RACONTEUR.net /talent-management-2017

#### HAZEL DAVIS

Freelance business writer,

KAREN HIGGINBOTTOM

and Thomson Reuters.

strategies should be improved. A staggering 85 per cent of respondents to the April 2016 Mercer study, Future-proofing HR: Bridging the gap between employers and employees, admit their talent management programmes and policies need

ore than eight in ten hu-

man resources leaders and employees believe

their talent management

**CLARE BETTELLEY** 

an overhaul. Further, although 75 per cent of employers claim to be working on creating diverse, inclusive leadership teams, only about half of all employees say their organisation has effective programmes to develop diverse leaders, according to the study, which polled more than 1,730 HR leaders and 4,500 employees across 15 countries.

This helps explain why one in three employees is planning to leave their current organisation within the next 12 months due to lack of career-progression opportunities.

The HR function, which is responsible for people management, consequently needs an overhaul if the C-suite is ever going to prioritise, and take action around, talent management.

But there are a number of challenges to overcome as part of this overhaul, not least the view held by many C-suites that HR is little more than a cost centre to their business. Just 4 per cent of human resources professionals polled by Mercer believe

that HR is viewed as a strategic business partner in their organisations. This comes as little surprise to Chris

Rowley, emeritus professor of HR management at City University's Cass Business School. He says: "Despite the common rhetoric that talent is integral to organisations and competitiveness, HR continues to struggle to have clout in the C-suite.

"On the one hand, there is the long-standing antipathy, even hostility, by many towards the HR function and the chief human resource of-

ficer's (CHRO) position in the C-suite. "On the other hand, there is the desire of HR to transform itself from its traditional reactive and administrative reporting model image towards being a more strategically integrated contributor to organisational performance. One route towards this is for CHROs to be involved in leadership succession plans and talent management. This can involve talent management in twin ways."

Strategic HR leaders make meaningful contributions to strategic debates around important issues such



It's time to give talent

more punch

Talent management faces a shake-up if the UK is to brave

new business frontiers in the wake of Brexit

proficient in data analytics, be cause this enables them to arm their C-suite with the people data necessary to assess the current and future state of its workforce

lis Towers Watson, says: "If you're in the finance function, you get that continual automated flow of finance data and if you're in a retail product role you get that daily feed of product data. Why isn't there the same amount of analytical information and the same amount of data available for people as there is for other functions?'

ing HR could forge a path ahead

85%

of global companies

admit their talent

management

programmes and

policies need

an overhaul

for itself by building on HR information systems, and using big data to develop and produce pools of talent and pipelines of top-class internal candidates for senior roles

"Of course, globalisation, internationalisation and cross-border M&A, and workforce demographic trends create greater diversity. That makes talent management more difficult to achieve and requires leaders with requisite skills to recognise this and manage such

In addition to data analytics, HR professionals need to be able to talk the same language as the C-suite.



As Peter Cheese, chief executive of the Chartered Institute of Personnel and Development (CIPD), savs: "What we've been saying for a while is that HR can't speak the language of business, which largely lies in the language of numbers. But equally, the business doesn't have the language of HR.

He adds that the time has come for HR to step up and fulfil its potential. "The need for HR to engage with executive managers on big strategic debates has never been clearer. Look what's happened this year. Brexit has triggered a lot more discussion, as it should, about what is the nature of our workforce today."

The possibility that supply of labour may be limited by Brexit should be a key driver in motivatina C-suites to take action on talent management

The possibility that organisations' ready supply of labour may be limited by Brexit should be a key driver in motivating C-suites to take action on talent management. This action should involve a review of their entire people strategies, from the approach to staff recruitment and retention to policies on pay and reward.

In his October 2016 paper, Shaping the world of work - time for a UK jobs strategy, Keith Sisson, emeritus professor of industrial relations at the University of Warwick, says businesses are preoccupied with low pay-based people strategies at the expense of productivity.

Too many UK businesses, to put it bluntly, operate in the bargain basement, relying on low pay to survive. Work organisation is rooted in 'lean' and 'traditional' models with extensive managerial hierarchies and long hours, but little high-performance working," he says.

This short-termism needs to stop or the consequences for UK plc could be disastrous.

"If business doesn't start to manage people better [and apply] more fairness and more transparency about how they reward, then there will be more legislation, so I think this is a real time for business to step up,' CIPD's Mr Cheese concludes.



Professor Rowley agrees, suggest-

staff." he says.



Mercer 2016

#### **UNCONSCIOUS BIAS**

# Can computer algorithms select the best candidate?

What are the pros and cons of taking the human element out of recruitment, and how successful has this been in using computers to recruit a more diverse workforce?

#### KAREN HIGGINBOTTOM

ompanies are becoming increasingly aware of unconscious bias in the hiring process, yet so many recruitment programmes still fail. One way of overcoming biases in-

grained into the recruitment process is though implementing an algorithm into the hiring process, but is a computer really the best at identifying talent? What is an algorithm? The Ox-

ford Dictionary defines it as a pro-

CASE STUDY

DELOITTE

cess or set of rules to be followed in calculations or other problem-solving operations, especially by a computer. For example, an employer can use an algorithm to select applicants with a first-class degree classification or if they are looking for a particular degree in a graduate intake.

Algorithms are essentially instructions put into a code, explains Lydia Nicholas, senior researcher at Nesta. "Algorithms are rules behind any single field that you put in. You can automate this process. For example, you can assign different scores for which university a candidate went to and add scores at every stage of the process. Did they do the right degree? You can use algorithms to recognise the bias or enhance the existing bias, but the algorithm is only a function of what an employer wants in a system."

Traditionally, many large corporates have used algorithms to sift through huge swathes of online applications in a bid to secure the perfect candidate for the role and to make the process as objective as possible. However, in the last year or two, large corporates have started to use algorithms to recruit

dpprent algorith context achieve The prive keen to of talen to stude socio-e CRS use

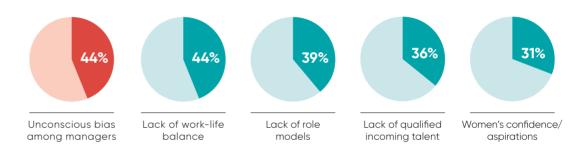
Context is everything particularly when it comes to social mobility. In September 2015, Deloitte adopted Rare's Contextual Recruitment System (CRS) for its graduate and

apprenticeship intake which uses algorithms to understand the context in which a candidate's achievements have been gained.

The professional services firm is keen to access a more diverse pool of talent, particularly when it comes to students from disadvantaged socio-economic backgrounds. CRS uses algorithms around educational data and looks at schools in terms of their ranking and whether they hit national benchmarks, explains Ben Jackson, head of student recruitment at Deloitte.

"This helps us to flag candidates that have been disadvantaged through their socio-economic background. It effectively levels

#### **TOP 5 MOST REPORTED BARRIERS TO GENDER PARITY AT WORK**



beyond the pool of candidates produced by the Russell Group of universities in a bid to improve their diversity profile.

Unconscious bias can creep in at several points during the selection and recruitment stage, warns James Meachin, head of assessment at business psychologists Pearn Kandola. "The biggest risk areas are where there is limited accountability for decision-making and there is less motivation for them to think very carefully about why they are making a decision. For example, a person in HR or an outsourced agency who is screening large volumes of CVs.

the playing field for those people who have been disadvantaged by flagging candidates who are exceptional performers. We're looking for the best way to improve access to our professions and there is a recognition that the best people don't always come from the best universities," he says.

The new system which is aimed at graduate and non-graduate jobs is relatively new, says Mr Jackson. "We've definitely increased the number of candidates joining us who would not have previously. It's definitely improved the percentage of people from different socioeconomic backgrounds – 5 per cent of our application pool is down to the Rare system." "Another area is where there is less structure in decision-making and greater opportunity for people to influence each other. For example, assessment centres commonly have 'wash-up' discussions where the assessors gather at the end of the centre to review candidates' performance. Research shows that these conversations are when assessors are tired and there is time pressure to introduce generalised views."

Algorithms have a place because we know that when employers are left to their own devices, they are capable of conscious or unconscious bias, says Mr Meachin. "Algorithms give us an objective measurement for what we think we're measuring. An algorithm just guarantees that you're measuring something in an objective way."

Automated processes such as algorithms are most commonly used early on in the screening process, explains Mr Meachin. "For example, in automatically scoring aspects of application forms and for objective tests such as reasoning tests and situational judgment tests. They're also used in combining scores at interviews and assessment centres to form an overall 'index' of ability."

Patrick Voss, managing director at Jeito, argues that algorithms can be used to provide a richer and more balanced set of information about potential candidates. "In particular, for roles that may require specific skill sets, for example telesales, algorithms can help filter those less likely to stay in the role for longer," he says.

Mr Voss adds that algorithms can save time in filtering candidates to

give a shortlist, but cautioned they will only filter based on the data and factors provided and which they have been programmed to filter for.

Mr Meachin is cautious about solely relying on algorithms to remove bias from the selection and recruitment process. He says: "Built-in algorithms in a graduate-screening process might delay the bias and improve diversity, and while that is good to have, what organisations aren't doing as much is dealing with the people aspect of the bias. For example, how can an organisation ensure that its recruiters are well trained to minimise the bias?"

However, it's a mistake to say computers can identify talent, says Chris Dewberry, senior lecturer in organisational psychology at Birkbeck, University of London. "Computers can be programmed to collect some data relevant to selection. But since it's humans who decide which tests to use and humans who decide how to combine responses to items to obtain total scores, it's ultimately humans who are deciding who is selected, not computers," says Dr Dewberry.

For the foreseeable future, it won't be possible to take people out of the decision-making process, Mr Meachin concludes. "Automated processes aren't sophisticated enough to make fine-grain judgments about abilities such as influencing skills. Even if we get to the stage where computers could replace people in making selection decisions, it's unlikely that hiring managers will want to relinquish control."

McKinsey 2016

# Strategic talent acquisition: staying as agile as your workforce

Flexible recruiting, onboarding and talent management software allows recruiters to reduce hiring-cycle times, spending on advertising and search costs

#### hen L'Oréal revamped its recruitment system two years ago, it was aware that a large number of good candidates drop off at the application stage.

To compete for the very best talent, the Paris-based multinational beauty company needed to demonstrate that it was at the cutting edge of technology. And this starts from the moment the role becomes vacant. Candidates need a smooth application process and consistency across multiple channels from shoulder tap to their first day on the job.

Jean-Claude Le Grand, L'Oréal's senior vice president talent development and chief diversity officer, says: "The tool and the technology we use are crucial. They need to be convenient for the recruiters and helpful for the applicant. The candidate experience is a key element in our HR vision: all candidates need to be well treated with good visibility, transparency and regular news updates about the recruitment process."

The company knew it needed to work on configurability, data model flexibility and end-user usability, especially on its web portals and mobile devices.

L'Oréal is committed to human resources diversity and considers it a crucial lever for growth as well as part of its "citizenship responsibility". For example, L'Oréal USA doesn't have a direct brand team, so the recruiting team has to work hard to get the word out via initiatives such as its Life at L'Oréal campaign, which focuses on the work and life of selected staff members.

The company's recruiting efforts span all its brands in more than 60 countries. Any new system had to allow the company to collect a large amount of candidate data to ensure a good fit across the brands.

Recruiting has undergone a huge transformation over the past five years. It's not surprising. So many



aspects of the way we do business have changed and the way we interact has altered too. And with talent acquisition in the spotlight, companies like L'Oréal need to ensure they don't just have the strategy but the technology in place to do it properly. So L'Oréal turned to Avature, a company that provides flexible recruiting, onboarding and talent management software.

"Recruitment advertising 15 years ago had an established protocol," says Avature chief executive Dimitri Boylan. "You advertised in the classifieds and when you wanted to convince someone to buy a car from you, you went on television."

The internet created a new playing field on which recruiting found itself competing with every other marketing initiative. "Suddenly it's the Rolling Stones anniversary tour versus your job," says Mr Boylan.

Recruiters, he believes, were struggling with the fundamental concept that marketing is about engagement. "They were still engaging via word of mouth, like salespeople."

DIMITRI BOYLAN

CHIEF EXECUTIVE

AVATURE

Avature introduced its CRM (candidate relationship management) platform in 2008. Mr Boylan says: "Companies at the time assumed all recruiting technology was the same. They were correct. But none of this technology was right for the job."

The Avature CRM platform allows recruiters to reduce hiring-cycle times, spending on advertising and search costs. It also improves strategic alignment with hiring managers by enabling them to source, attract and organise talent better ahead of business demand. Users can source professional profiles from multiple systems simultaneously, schedule and manage social media postings, consolidate recruiting activities in a single, customised platform, and produce dashboards and reports.

This sort of capacity is crucial for the modern recruiter, says Mr Boylan. Organisations need to show how modern and forward thinking they are to capture the best digital candidates. Attracting and converting online is as difficult as getting someone to buy online. And there is fierce competition. Companies are making a concerted effort to balance their workforce and develop diverse populations to match the population.

"People are realising that if you have a workforce that's well balanced between men and women it's more productive," says Mr Boylan. "Whenever you have a workforce that is more representative of society in general you have a better workforce." It's also easier, operationally, to deliver services that are reflective of the community you serve. But because companies are identifying the same need, they are competing hard for the talented tech individual, for the female professional, for the multi-lingual, multi-cultural candidate.

Therefore recruiting software, says Mr Boylan, needs to be agile and not

66 Organisations need to show how modern and forward thinking they are to capture the best digital candidates



**01** The production line at Viktor & Rolf, a L'Oréal brand

O2 L'Oréal Belgium team participating in an annual Citizen Day, giving their time to paint a school

03 L'Oréal colleagues embedding the collaborative mindset culture, working on crossfunctional projects corporate. It needs great usability and to be able to update regularly. "We're trying to help our customers be more like internet customers, to operate more like Facebook and Amazon. You can't do that without constant functional advancements."

Successful recruiting technology also needs to be accessible to everyone, not just the tech-specialists. "There's a new generation of business people who are much more tech-savvy and more knowledgeable about data analysis," says Mr Boylan. "They want to be able to make changes to their corporate system themselves. Employees are coming in at 23 are saying, 'I understand what's going on and I want to change it'."

Successful modern businesses like L'Oréal are disruptive. And to be disruptive you need a strong talent acquisition approach. Organisations competing with every other marketing and advertising initiative need to know how to leverage their brand in the same way as marketing does. They need to engage and do it well. They need to be able to test, evaluate and constantly improve. Mr Boylan says: "The Avature platform gives them a faster way to experiment, try things out, fail quickly, figure out what works. To do this and be a competitor requires a very different relationship with a technology vendor."

Mr Le Grand adds: "We were attracted by the idea of the parallel between the candidate and customer experience, and we liked that Avature weren't traditional players."

There are always issues in the recruitment process, he agrees, "but the agility and ability to alter quickly means we are now able to fix them – this was something previously unavailable to us".

For more information please visit www.avature.net





JEAN-CLAUDE LEGRAND SENIOR VICE PRESIDENT OF TALENT DEVELOPMENT, L'ORÉAL

#### **BRAND IDENTITY**

## TALENTFIRST

## Traditional Performance Reviews

### Won't Motivate Them



# Stop Managing Performance...

Start Creating "IMPACT"

# Brand 'buy-in' means bi

Engaging employees with brand identity will pay off in better products and services for customers, as well as improved staff morale, and show in the company's bottom line

#### HAZEL DAVIS

tarting a new company can be an exciting time when identity and brand are easy to define. But how can organisations create a culture that can keep pace with change and continue to engage employees?

Albie Attias, managing director of IT solutions provider King of Servers, says: "We're a small team, so it's essential that every member has a high degree of autonomy and is empowered to cover not just their own role, but also to cover those of others."

New people get their hands dirty quickly, and feel immersed and involved with the company from day one

Established in 2012, King of Servers, which provides smaller businesses and organisations with essential IT hardware, has defined practices and guidelines for staff to follow.

But importantly, Mr Attias says: "Nothing is set in stone. There's a considerable amount of trial and error that allows us to adapt to the ever-changing market conditions in which we operate and we aren't afraid to try new things."

Having a small team can mean employees enjoy a varied role. "One day you might be deeply immersed in tech specs scoping out a complex infrastructure refresh, the next you might be putting together a series of newsletter campaigns," he says. "This helps keep interest and motivation levels high without having to throw in additional incentives."

To get this level of engagement, Mr Attias says: "We tend to throw people in at the deep end. From experience we find it's more effective and stimulating to learn by doing. New people get their hands dirty quickly, and feel immersed and involved with the company from day one."

The IT marketplace is littered with ill-conceived online catalogues, says Mr Attias. "Success lies in making a difference, not just for the sake of it, but to add real value and resonate with our target audience," he says. "IT hardware is typically seen as a dull, uninspiring sector, and both manufacturers and retailers have done little to combat this perception. We try to stand out from the raft of insipid suppliers by imparting our personality wherever possible. For example, although many of our blog posts cover highly technical subject matters, we try to inject humour and quirkiness to make our content sticky and memorable."

The company is currently in the midst of a considerable change in terms of product offering and targeting due to a shift in the market. "The first few years of trading saw us doing more 'box-shifting' sales as we had a competitive edge on price. However, the market has changed since then and we have had to adapt quickly. We are now offering a more consultative, educated sales process with customisable products," says Mr Attias.

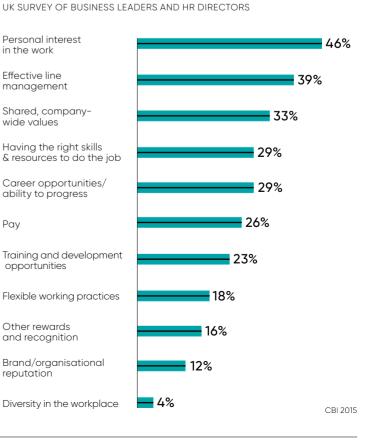
To navigate this change, the company has had to invest in staff training as the sales process requires more technical expertise. "In order to manage the change effectively, communication has been key, both internally and with external companies we work with," he adds.

Gavin Hammar, founder of social media management platform Send-

TOP DRIVERS OF EMPLOYEE ENGAGEMENT

ible, agrees that communication is key. "At Sendible, we have core values that inform every aspect of our work, culture and commitment to innovation. Not only do we commit to these values on our website, we also communicate these values within both our onboarding and interview processes," he says.

"By ensuring a cultural fit before we recruit new starters, then reinforcing it when they join the company, we have won half the battle. Our collaborative decision-making



# gger company profits



process means, before any decision is made, it is tested against our values, meaning that all those engaged on projects not only know what they are doing, but also why they are doing it."

If you are values-led, show people what that means rather than explaining it, Isla Wilson, founder of business growth strategists Ruby Star Associates, advises. "Describing, modelling and being seen to praise the behaviours that show people are living the values will achieve more than just sticking some words up on the wall," Ms Wilson says.

She suggests delivering change as experiments, rather than introducing large, wholesale change. "This can be less disruptive, and it can be easier to engage your team with designing, implementing and analysing a pilot or test over a defined period rather than imposing a major change. Recruit good people, then tell them what to achieve, not how to achieve it," she says.

Silicon Valley tech firm Slack currently has a valuation of \$3.8 billion and four million daily active users. It's currently at a pivotal point, having just announced its partnership with IBM and Google, as well as the first beneficiaries of its \$80-million investment fund.

Amanda Atkins, Slack's head of internal communications and culture, says: "Trust doesn't just happen. It starts with a strong grounding in our mission and values from the first time you walk in the door, and is reinforced in our hiring decisions, the way we onboard, and how we recognise and promote people.

"That level of cohesiveness, combined with an exceptional degree of transparency across the company, ensures we have the level of trust needed to keep up with a rapid rate of change."



Werner Knoblich, senior vice president and general manager, Europe, the Middle East and Africa, at open-source software company Red Hat, says: "Our employees are proud to be innovators and outside-the-box thinkers, who want to work on revolutionary projects and have their opinions heard so they



That level of cohesiveness, combined with an exceptional degree of transparency, ensures we have the level of trust needed to keep up with a rapid rate of change ce can help shape the world the open er, source way."

The synergy between Red Hat's workplace culture and brand identity is epitomised through its iconic Shadowman logo. Mr Knoblich says: "In fact, several employees have made the ultimate commitment by getting a tattoo of the infamous fedora-wearer. Shadowman is a symbol from our early days when our founders embraced our outsider, subversive, revolutionary reputation and ran with it."

One way Red Hat has managed to maintain brand buy-in from its employees is in the way it developed its mission statement. "We did not turn to an outside consultancy or only include senior leaders to develop this, as many organisations do," says Mr Knoblich. "Instead, we opened up the project to associates from across the company who expressed an interest in contributing. And the result is better for it. Our associates value the mission statement we have and we use it as a guidepost in all that we do."

#### TalentFirst is disrupting Performance Management

by breaking down the annual review process into frequent digital micro-conversations that focus on Coaching and real-time feedback, and flow seamlessly into your work-day anytime and anywhere

### With TalentFirst

- Managers Coach
  Employees Engage
  Teams Collaborate
  Feedback is Ongoing & Real-Time
- Training is Connected
- 🔁 Reviews Write Themselves

## Performance Management... Reinvented

www.talentfirst.com info@talentfirst.com

# Talent is personality in the right place

As a result of relying too much on intuition, most organisations fail to appoint the right leaders. It's a costly and destructive strategy, says Dr Tomas Chamorro-Premuzic, chief executive of Hogan Assessments and professor of business psychology at University College London and Columbia University

ne of the biggest challenges organisations face today is to identify the next generation of leaders. There is a wealth of tools and technologies out there to help them accomplish this, but mainstream practices are barely leveraging the science of talent identification.

All too often, when we ask business leaders how they know if someone has potential or talent for leadership, the most common answers are "Well, you just know" or "I know it when I see it". While there are clearly some highly intuitive people, who are capable of spotting true potential by following their instincts, most people are less intuitive than they think, which causes two big problems.

The first is that the wrong people get selected or promoted into leadership positions. This happens in every organisation, including companies that invest a great deal of money in talent management.

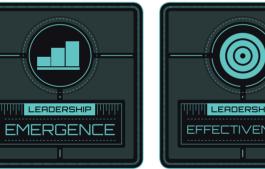
The second is that the right people - those who should actually lead - aet overlooked. Although these individuals possess many of the critical qualities that underpin leadership talent, for example good judgment, humility and the ability to build high-performing teams, they are generally less focused on self-promotion, networking and political manoeuvring. The result is a paradoxical system where the drivers of leadership emergence are not just different, but often the opposite of the drivers of leadership effectiveness. What gets you there won't make you effective; what makes you effective won't get you there.

The challenge for businesses is clear. It is to end up with more true positives and less false positives, as well as increasing the true negatives



**DR TOMAS** CHAMORRO-PREMUZIC CHIEF EXECUTIVE OF HOGAN ASSESS-MENTS AND PROFESSOR OF BUSINESS PSYCHOLOGY AT UNIVERSITY COLLEGE LONDON AND COLUMBIA UNIVERSITY

HIGH POTENTIAL core competencies for emerging leadership



while reducing the false negatives. Although there is no single recipe for achieving this, transitioning from intuitive to scientific talent identification will do the trick and have a big return on investment. But it will require a more rigorous and comprehensive examination of human potential, understanding not only its bright side, but also its dark side.

#### MORE TO POTENTIAL THAN STRENGTHS

Influenced by the positive psychology paradigm, a popular American movement that promotes the focus on strengths and desirable qualities at the expense of ignoring people's weaknesses, euphemistically labelled "opportunities", contemporary talent identification practices tend to overlook candidates' dysfunctional tendencies

This leads to an inability to predict derailment, as well as inadequate development interventions to capitalise on employees' talents while keeping their "toxic assets" in check.



Importantly, the most commonly used methods for identifying leadership potential, such as interviews and supervisory ratings, are far less effective for identifying dark-side than bright-side personality traits. For example, psychopathic and narcissistic individuals tend to perform well on selection interviews, and they are often described as charming and charismatic by their supervisors. Scientific personality assessments are immune to these manipulation tactics so they highlight the true risks associated with such candidates

Needless to say, human resources also needs business leaders to understand the dangers of bringing the wrong people into senior roles It is not uncommon for talent management practitioners to use the right criteria and the right method, only to have their candidates vetoed by the executive team. The most highly functioning HR departments we have worked with don't necessarily stand out because of



their expertise, but because of their ability to influence the board and the C-suite. Having a state-of-theart talent management function is not enough: senior leaders must trust their HR director, particularly when it comes to people problems.

#### MEASURING LEADERSHIP POTENTIAL

At Hogan, we are committed to creating the most accurate and scientifically advanced assessment tools in the world. Our methods and tools are endorsed by the independent academic community and align state-of-the-art research in the field. In fact, we pioneered the application of psychometric

OO Psychopathic and narcissistic individuals tend to perform well on selection interviews, and they are often described as charming and charismatic by their supervisors

### HOGAN

assessments to the workplace, si multaneously advancing practice and scientific research in the field. The validity of our methods is not described in self-published white papers, but in more than 300 academic journal articles reviewed by real experts.

Perhaps more importantly, our tools don't just predict performance, they also explain it. The current obsession with big data and predictive analytics is a welcome upgrade from intuition and subjectivity, yet as Immanuel Kant noted, data without theory is blind, much like theory without data is just mental speculation.

Our tools are based on the science of personality, a 100-year-old branch of organisational psychology that provides the most comprehensive and granular understanding of a person. Emerging methods of assessment are interesting, but they are a long way off demonstrating incremental validity over scientific tools. Rather than being distracted by shiny new objects, organisations would do well to apply the more robust methods that have been tested and validated by the independent scientific community for decades.

The new Hogan High-Potential Talent assessment is designed to provide organisations with an indepth picture of employees' career and leadership potential. It evaluates individuals' ability to move up in the organisation, to emerge as leaders and to lead effectively once they emerge

This scientific assessment, which takes 40 minutes to complete, condenses 30 years of expertise and more than five million personality evaluations of employees, managers and leaders in over 50 countries. Rather than reducing potential to a single score or personality profile, the assessment produces a detailed report highlighting candidates' strengths and weaknesses, and how they can best develop their potential.

Our premise is simple: who you are determines how you lead. And if you are placed in the right role, your personal style and values will become an important career and organisational weapon - because talent is personality in the right place.

To find out more about how Hogan Assessments can help your business, visit www.hoganassessments.com For more about the Hogan High-Potential Talent assessment, visit www.hoganhipo.com

# Data analysis helps you to know your workforce

Human resources chiefs are increasingly demonstrating the worth of people analytics as businesses reap the benefits of getting to know their staff better

#### PETER CRUSH

ggninder Russell has one of those dinner party job titles that unlike "product replenishment manager" (aka shelf stacker) actually has a proper meaning and, she argues, is what all company directors should be inviting to their tables. She's Virgin Media's grandly titled head of people insight.

It's a role that's less than three years old, but in this short space of time it's become one the business simply couldn't do without.

"Thanks to a year-long process of moving our people data to an analytics platform called Qlearsite," she explains, "we're now able to run what we call Opportunity Finder projects – testing hypotheses by establishing hard causal relationships between datasets, which enables HR to devise much more targeted interventions.

"In just one of these, we found above-median sickness absence and, by creating sickness absence champions, we literally halved that rate of attrition – it was a cost-saving of  $\pounds 1$  million."



In the world of people analytics, return on investment data has been seen as the Holy Grail the specialism that's taking knowing the people in organisations to new levels – this type of return on investment (ROI) data has been seen as the Holy Grail when it comes to sign-off at the board level for more investment in this field.

In the world of people analytics -

Yet, as Ms Russell admits, she has had something of an advantage over her traditional human resources peers. "For five years I was Virgin Media's finance business partner, reporting to the finance director. It's been a massive advantage being able to translate people data into how managers' budgets are affected." According to Hazel Williams, HR

According to Hazel Williams, HR lecturer at Nottingham Business School, the problem most HR professionals have when it comes to demonstrating the ROI of people analytics is that they simply focus on the wrong things.

"Too many HR directors are obsessed with gathering the data and costing this rather than actually asking questions of it. ROI is about knowing the output of a people issue, not what the technology cost is, but this is the bit that's often left off," she says.

Edward Houghton, research adviser at the Chartered Institute of Personnel and Development, adds: "Not only does the research question have to come first, tracked through analytics, but it's the change of policy indicated that's important. ROI comes from the impact of a policy change indicated by analytics, not just the analytics itself."

Laurence Collins, partner in Deloitte's human capital consult-

ing practice, says: "Analytics needs couching to the board as just one component of a firm's wider people policy. My experience is that when there's a sense it creates a benefit, it gets the attention of decision-makers.

"So, what HR has to do is start from the data it already has – because all firms are able to run reports – and make causal rather than correlated links between them that could solve issues. But then they really do need to sell the fact that better technology will most likely produce better, even more targeted links."

What doesn't often go in analytics' favour is the fact that the relationships they show often yield a "well, that's obvious" response. "That results appear logical," is a common response, says Maja Luckos, head of people analytics at Capgemini UK. "My response is always that there's nothing like science to back this up.

"When we first started though, rather than produce boring business cases, we decided we needed to showcase this differently. So we got all the heads of the business in together to spend two days with us, seeing what we could do with real data. We basically wowed them and that's when they 'got' the power of doing it. We've never had to prove the investment ever since."

Since then analytics projects she's headed have helped cut early attrition spotted in new joiners by 40 per cent. But by giving C-suite directors experience of analytics, she's made them advocates for life.

So should other human resources leaders do the same? Yes, but according to Prithvi Shergill, chief human resources officer at HCL Technologies, they need to realise that proving analytics is a marathon not a sprint, so the key trait HR needs is stamina.

"We've definitely been on a journey," he recalls. "Analytics now comprises 10 per cent of our main HR spend, so it has to stand on its feet. We've simply had to keep promoting its potential – and then promote it some more."

Mr Shergill's tactic, however, has been specific: to turn insight into information by moving away from looking at past data and descriptive reporting to more predictive analysis.

"We're really pushing the predictive part of analytics," he says. "We're now able to predict attrition from recruiting certain types of people. We can also predict, with 70 to 90 per cent accuracy, who will accept job offers by mapping data we have of previous candidates. As a result we can plan interventions to ensure we keep top talent. That's the stuff that interests people, not necessarily dry statistical information."

An even better way to prove ROI, of course, is to find relationships through data that are not expected at all. Virgin Media's Ms Russell says she's beginning to find just this, most recently how those who take overtime are more likely to stay.

"This is not a relationship we would have expected, so we'll be looking at seeing why this is the case," she says. As she knows though, making the case won't be through hard mathematics, but in language the board will understand.

Dr Peter Bloom, head of the department of people and organisations at the Open University Business School, observes: "In all ROI conversations, there is a danger that there is a knowledge-gap between those presenting the data and those receiving it. The majority of business heads aren't statisticians. HR needs to remember this."

But, if they follow these rules, could the analytics ROI nut finally be cracked? "Human resources di-

66

We've simply had to keep promoting its potential – and then promote it some more

rectors still have to convince those

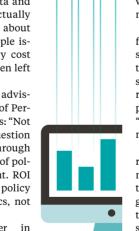
that need to see to believe," says Eddie Short, managing director of data analytics at AON Hewitt. "But the signs are more CEOs are becoming interested in this area anyway." In partnership with intelligence provider Polecat, Mr Short is moving the bar to the next level, looking at analytics to predict risk in organisations. But he says organisations must get the basics right first.

"There's not normally a eureka moment with analytics, but when it combines fragments of data that are already trusted, that's when it has the power to really prove itself," he concludes.



#### Organisational Science. (n)

- 1. Systematic analysis of people data to establish a body of facts and truth.
- 2. Evidence based approach that improves people processes to deliver tangible value.



#### **EMPLOYEE ABSENCE**

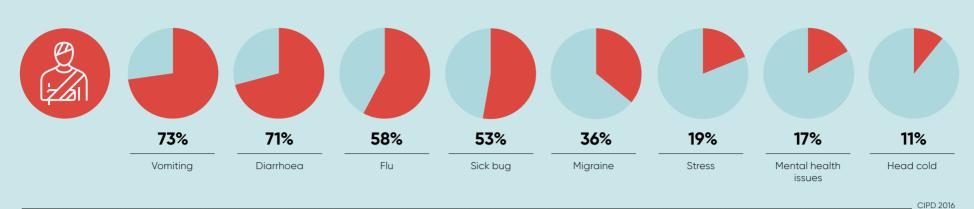
# **UK EMPLOYEE ABSENCE**

#### AVERAGE DAYS LOST PER EMPLOYEE PER YEAR

VERAGE DAYS LOST PER EMPLOYEE P			DAYS LOST PER YEAR	-		
c bod, drink and tobacco	) 1 2	3 4	5 6	7 8	9 10	11
ire services						
entral government						
ealth						
ocal government						-
nance, insurance and real estate						
ducation						
ousing associations						
ansport, distribution and storage				_		
ther						
etail and wholesale						
extiles						
harity services						
ther						
eneral manufacturing					DAYS LOST PER YEAR	
aper and printing					WORKING TIME LOST PE	
ofessional services (accountancy, dvertising, consultancy)						
ther				MANUFACTURIN	G	11
otels, catering and leisure				AND PRODUCTI	G ON	
all centres						
ectricity, gas and water						
				PRIVATE SECTOR	·	迎
ther				SERVICES		>
onstruction						
ngineering, electronics and metals						
hemicals, oil and pharmaceuticals				PUBLIC SERVICE		
edia (broadcasting and publishing)						
griculture and forestry						
services						
ining and quarrying				NON-PROFIT -		
ommunications	· ·					

#### **REASONS TO CALL IN SICK**

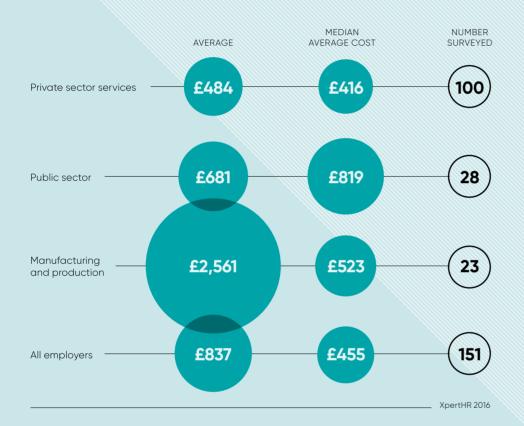
PERCENTAGE OF UK WORKERS WHO CONSIDER THE FOLLOWING A GOOD ENOUGH REASON TO CALL IN SICK

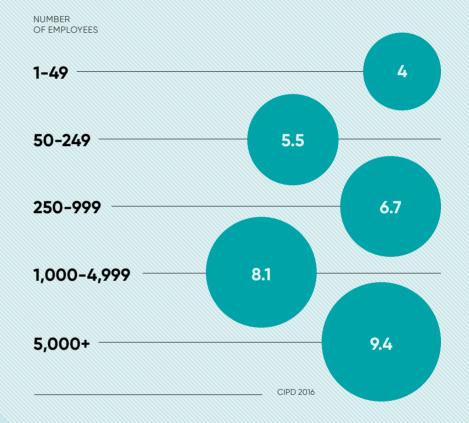


COST OF ABSENCE PER EMPLOYEE

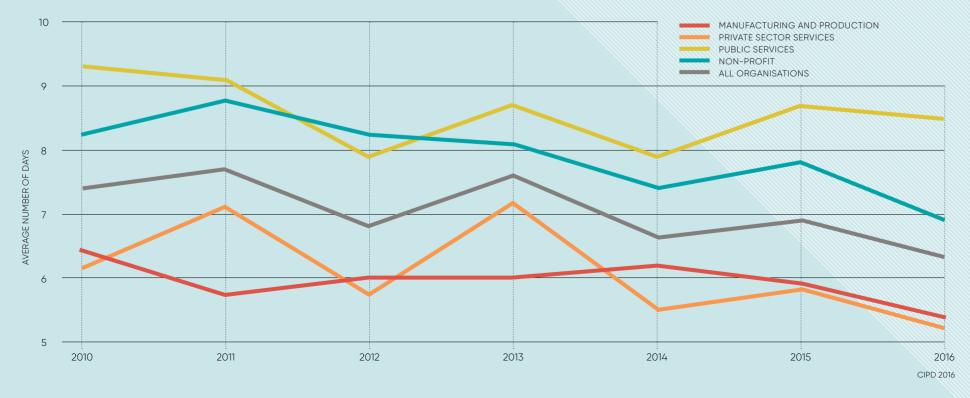
JUST 40.7 PER CENT OF COMPANIES SURVEYED BY XPERTHR MEASURE THE COST OF SICKNESS ABSENCE

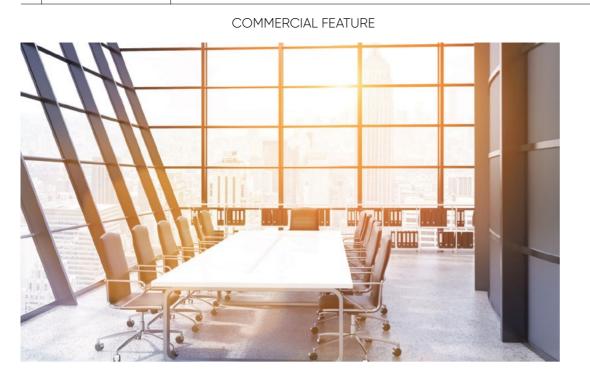
**EMPLOYEE ABSENCE BY SIZE OF WORKFORCE** 





#### AVERAGE DAYS LOST PER EMPLOYEE PER YEAR





## Brave new world

Áine Hurley, head of the human resources practice at Odgers Berndtson, the UK-headquartered global search firm, says it's time for chief executives to be bold when making their next chief people officer appointment

f you are the chief executive of a FTSE 100 company, how would you answer this question? When recruiting your next group human resources director or chief people officer, do you really consider the widest pool of talent available or do you opt for what might be the "safe approach"?

Let me explain. As businesses extend their global reach and look to rapidly expand their customer base, the need for commercial, driven, innovative HR leaders with diverse experience has never been greater.

Who wouldn't want to recruit an HR leader who not only has deep functional knowledge but also has knowledge of procurement or communications, property or health and safety? Who wouldn't want a group HR director who has true global experience, understands customer centricity, is tech savvy and can think creatively about issues both in and out of the boardroom – a chief people officer who can add significant value to the board debate?

It might seem self-evident to say the UK's leading public companies should want, indeed need, to hire HR leaders with this multifaceted experience, but in many cases this does not happen. Why?



One explanation centres on the concern that if individuals lack previous experience of, say, working with the remuneration committee or are not au fait with the latest UK governance changes – perhaps they have been working in overseas markets – then they could be overlooked for vital UK plc roles.

66 Chief executives genuinely want a broader contribution from their HR partner, and a greater level of commercial nous

Instead, chief executives might be attracted to individuals who have held the number-one position in another quoted company in the UK because, simply, it is a safer option. Although understandable, is this taking too narrow a view?

Changes in UK corporate governance and the vital role remuneration committees play in ensuring remuneration arrangements support the strategic aims of the business and satisfy shareholders, are not being questioned here. Rather, what I am keen to stress is that in a rapidly changing business environment, isn't it just as important to ensure that top talent brings strategic thinking, genuine diversity and a new perspective to the leadership team?

Rather than choose only those who have already occupied the role, chief executives have a unique opportunity to bolster their teams with talented HR leaders who offer genuODGERS BERNDTSON Search Intelligence

inely fresh thinking and are ready to step up to the plate.

Meanwhile, up-and-coming HR professionals with multifaceted experience can enhance their chances of attaining the number-one role by engaging in extraneous activities such as gaining board exposure outside of their own organisation. This can include non-executive roles or becoming trustees of a charity or an NHS trust before they reach that number-one seat. Obtaining early exposure to the complex dynamics of a board will stand them in good stead and certainly help them to step up.

It is a potent combination for an aspiring group HR director to have in his or her armoury, this breadth of board experience and commercial exposure outside the function.

I am hugely optimistic and believe chief executives genuinely want a broader contribution from their HR partner, one who can bring greater commercial nous to the leadership team. If he or she has been exposed to, and understands, board and remuneration committee demands, can engage with shareholders and can be directors of the business first and HR leaders second, the future is bright.

The tension that currently exists and which is perhaps encouraging chief executives to choose a safer option does not, in my view, do justice to the wealth of potential HR leaders out there who can bring the level of dynamism to a board that has never before been so urgently required.

For more information please visit www.odgersberndtson.com

#### **QUITTERS**

# Should you re-employ a quitter?

A number of considerations should be weighed up when deciding whether to give a former employee their job back



#### HAZEL DAVIS

ehiring a former employee can be a tricky thing to manage. What if your star employee leaves, you don't manage to find a replacement and you really want them back? Is it worth eating humble pie to get them to return or accepting you might have been second choice when they ask for their old job back?

Simon Kelman was head of public relations at 192.com, but left when he was approached by a recruiter to work with an "exciting startup". He says: "After a 20-minute interview I was offered the job, a pay increase and a lot of benefits."

But the job didn't meet his expectations. "I had gone from a collaborative, agile environment to an environment that was less adaptable. I missed working with my former colleagues and overall the new role was making me unhappy," he says.

Mr Kelman discussed returning with his former employer, which he did in an amended role that better suited both his needs and the needs of the company. He says: "I feel I learnt a lot, especially the value of working with people whose opinions you respect and who respect yours. In a practical sense, I refreshed old marketing skills and ad-writing skills, which I hadn't used in a few years.

"I enjoyed working for the company, they felt the same and I got to come back to a role more suitable for the company's future."

His boss Keith Marsden says: "It took us less than five minutes to decide to bring Simon back when we knew he was available. But we didn't bring Simon back because of his particular skill in PR, even though he is very good at that; we brought him back because of his extremely positive attitude and flexibility to get involved more broadly than with just PR. In companies our size, people like that are a great asset."

Rehiring an old employee, says Mr Marsden, means they are a known quantity, which eliminates the recruitment risk of hiring the wrong person. "But, more importantly, the returning employee has experienced life away from the company and is likely to be returning because they realise that our grass was pretty green after all. As a result, you have an even more committed and loyal employee," he says.

Mr Marsden advises taking time with a returning quitter to understand their motives. "If a new role hasn't worked out, they could just be coming back until they find another opportunity – this is the last thing you need," he warns.

Gi Fernando, founder and partner of digital transformation company Freeformers, regularly rehires former staff. "We believe that once you are a Freeformer, you are always a Freeformer," he says. "While we never like to see our great employees leave, we understand that being able to go off and experience other things, and learn new skills, is the key to success in the future of work." Mr Fernando thinks a change of mindset is perhaps needed from the traditional human resources outlook. "Think instead about what staff have to offer now and in the future. Then they won't be scared to ask to come back after taking on a new challenge, meaning you and they will benefit from the time they have spent elsewhere," he concludes.

# Time and place for Facebook and Twitter

People cannot work productively without taking breaks, but should social media be allowed as a potential distraction?

#### PETER CRUSH

e honest. How many times have you checked your phone, sent texts, hit social media, instant messaged your friends and generally browsed online – all while you're supposed to be at work? According to research by Direct Line, you could be in for a shock. It found the average person in the UK checks their mobile device a staggering 253 times a day – every four minutes of their waking day.

But with 73 of these occasions happening at work – tweeting, going on Facebook and using social media represents a quarter of all smart-device activity – the one group definitely not surprised is employers. A separate poll by Think Money found a third of workers are distracted for as long as three hours every day – that's 759 hours a year.

So with the UK supposedly suffering a productivity problem, has the scale of at-work social media and smartphone usage finally reached the point where employers have to act?

"There's no doubt employees are more distracted at work," says Helen Roby at the Open University Business School. However, she questions whether the window for employers to act has already passed. "What's also happened is that work and personal life have become blurred. Our research reveals workers now expect give and take from their bosses," says Dr Roby.



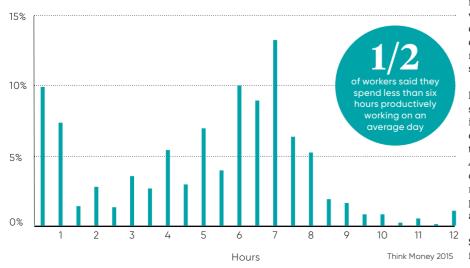
As Aliya Vigor-Robertson, a partner at JourneyHR, observes: "Employers can't totally absolve themselves from blame. If they demand staff to be always-on, responding to e-mails after hours, to then come down on some at-work internet usage like a ton of bricks could be seen as disproportionate."

It's still normal for firms to have policies around personal internet use at work. In the main, trust and

• Used in the right way, moderate distractions can be incredibly effective

#### HOW MUCH TIME PER DAY DO YOU ACTUALLY SPEND PRODUCTIVELY WORKING?

SURVEY OF 2,000 EMPLOYEES



common sense are applied, although a judgment by the European Court of Human Rights in January 2016 ruled employers could monitor employees' online chats if they're in work hours.

But while no one would want to see a return to Dickensian workhouse strictness, many feel employers are now caught between a rock and a hard place. "What's damaging is the 'cognitive cost' of all this distraction," says Nada Kakabadse, professor of policy, governance and ethics at Henley Business School. "There isn't just time lost checking Facebook and so on, but there's the time needed to refocus and return to the task they left. Distraction is a genuine worry for bosses because at first they were strict on online usage, then it became more relaxed and now it's difficult to rollback from this."

Some firms are still determined to not let social media creep into the working day at all, but part of the difficulty trying to control digital distractions is that there's a parallel, neuroscience-based discourse that says they're good.

"Feelings of lack of autonomy – like what you'd get from an outright social media ban – can have a big impact on the brain and people's energy levels," says Tara Swart, author of *Harnessing the Brain Gain Advantage*. "Removing autonomy creates stress and, in all my experience, the more autonomy you give people, the more productivity they actually give back."

So is there a happy medium? Ms Swart says there is: "Managers first need to accept there's nothing wrong with breaks *per se*. What they should encourage, however, is proper task-switching. Moving from working on a computer to browsing online is still being on a computer. The best thing for staff is to go for a walk and talk to people. Online time should be saved for say, lunchtimes."

#### CASE STUDY

At CV-Library, the UK's largest job site, staff are allowed to bring their smartphones to work – as long as they lock them away in a drawer or have them silent on their desk.

"I couldn't agree more that technology has become too distracting," says founder Lee Biggins, who since day one 16 years ago has outlawed mobile phones being used in work time.

"Our view is that nothing is more demoralising than hard-working staff seeing their colleagues wasting time on their phones, so I just don't allow it. If their mobile rings, staff ask their manager if they can answer it. If family desperately needs to get in touch, we say ring their work numbers – they're all allowed to call them."

Because the "aggressively monitored" ban has existed from the start, Mr Biggins Sir Cary Cooper, professor of organisational psychology and health at Manchester Business School, says: "When workers only take 23 minutes for lunch, they must recharge in other ways. Short, sharp breaks away from high-intensity work can clear people's minds and help them approach their tasks differently. Used in the right way, moderate distractions can be incredibly effective."

For some firms, particularly those in the social media space, the offer of online freedom is actually couched as a part of the way staff can control their careers. "As a growing startup, we say developing initiative is what will grow their role, so how much time they spend seeing what's on social media is up to them," says Monica Karpinski, head of content at digital marketing company Curated Digital. "This is not us being some edgy startup; we find that when you give people freedom, they respect it."

Nicholas Gill, co-founder and strategy partner at marketing agency Team Eleven, believes employers haven't yet lost all control and that it's still possible for them to set boundaries. "We do social media for clients, so clearly we need to spend time being involved with it," he says. "But the one thing we do ask is that phones are not on the table in meetings. Notification bombardment is overwhelmingly distracting. We feel we need to be present and attentive to ensure meetings are effective."

accepts the policy is easier to maintain than try to introduce now, but he claims far from staff thinking it's draconian, they like it. "We have a deal. In return staff start at 9am, have a full hour for lunch and they're never expected to stay beyond 5.30pm. Once that comes around, everyone is out and maximum family time is theirs," he says.

Personal internet is only allowed at lunch, but again Mr Biggins argues everyone accepts this. "We even raise the policies with candidates in job interviews so that it's not a surprise when they join," he says.

But what about the Apple Watch? "Funnily enough," he laughs, "this came up for the first time in an interview last month. My answer was yes, of course staff can wear them – as long as they're not tapping out replies to alerts all day long."

#### LONG SERVICE

# Balancing experience and enthusiasm

Rewarding loyal service should not be overlooked if a long-serving employee continues to achieve and represent company values

#### ALISON COLEMAN

mployers have come to terms with the current employment trend of job-hopping, workers moving jobs every two or three years. In fact, some encourage it as fresh recruits, keen to prove themselves to their new boss, are seen as potentially more motivated and productive.

But what of those who choose to stay put; the loyal workers who stick with the same company for ten or more years? Are they valued for the skills and knowledge they help their organisation to retain or seen as lacking in ambition and aspiration?

"Employee movement internally and externally is becoming more prevalent, but the long-term, trusted employee remains a key part of any organisation," says Rachael Allen, head of people and culture at global resourcing firm BPS World. "In fact, there is an argument that they hold a higher status than 20 or 30 years ago, when in most companies, a career was for life. This should be seen as an opportunity.

"While organisations value long-serving employees, they sometimes forget to tell them. It is understandable that someone new in a role requires proportionally higher levels of attention, but that doesn't mean the established should be forgotten. This can be a challenge, but should be an opportunity. As mentors, many are able to complement more formal learning and development programmes, which is engaging for both the mentor and the mentee." erly recognised and rewarded. A 2012 report from employee benefits firm Edenred found that only 50 per cent of UK companies had reviewed their long-service policy in the last five years.

Long service also needs to be prop-

Long service may be the most common form of recognition, but that doesn't mean they're getting much benefit from it, says Glenn Elliott, chief executive and founder of employee engagement firm Reward Gateway.

"Celebrate long service, but recognise and reward performance in accordance with company values and priorities. If you have long tenure and you've been doing a great job living the company's values, you should have received continuous recognition for that, not just recognition and reward for the number of years you've been in the role," he says.

Some sectors lend themselves to staff longevity better than others. In manufacturing, accounting, the public sector and utilities, for example, staff turnover rates are traditionally low. This may be because a higher proportion of workers are from an older generation who see value in career service. In retail, call centres, hospitality and food services, high levels of staff turnover are the norm.

"This is mostly due to low earning potential, seasonal work and reputations for part-time and short-term employment," says Sammy Blindell, founder of How To Build A Brand. "IT companies also tend to have high turnover rates, which is mainly due to the changeable nature of the industry." Workforces spanning four generations of employees with a mix of short and long-term tenures are becoming increasingly prevalent. Here employers need to focus on rewarding commitment, loyalty and going over and above the call of duty – things that don't necessarily relate to tenure – and the key to this lies in the calibre of leadership within the organisation.

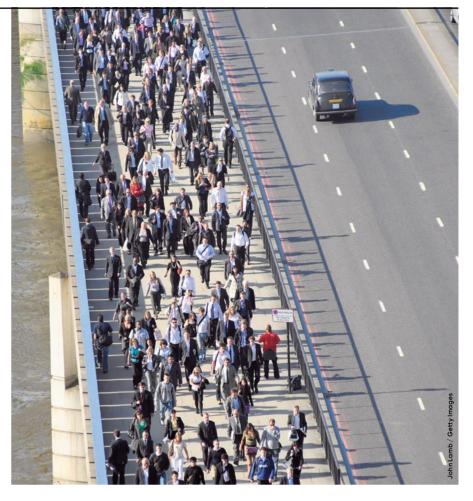
Mark Whybrow, founder of leadership development firm Engage Technique, says: "Good leadership and management should be able to get under the skin of what motivates the different parts of their team community and respond to it. The key is doing this in a highly empathetic way for the different 'cohorts' within the team – long-servers, new recruits, domestic and international employees, and so on.

"Good behaviour and attitude should be recognised, and poorer behaviours should be understood, resolved and improved, or identified with possible future consequences, all regardless of tenure of service."

Companies such as Virgin Group excel at recognising the value of high-achieving, long-service employees and on the whole enjoy higher-than-average employee retention rates.

Virgin Group brand director and head of people experience Amy Sawbridge says: "The Virgin culture encourages people to be themselves and play to their strengths. This gives them the freedom to be creative and take opportunities to make a positive difference in what they do, and also inspires passion and commitment to do a great job for our customers.

"Our ultimate purpose is to change business for good and, thanks to the solid foundations of the Virgin culture across the group and the variety we offer in terms of our sectors and roles, we're in a strong position to do that."



Within large organisations there is often a tendency for longer-serving staff to stay in the same department for long periods of time. As they become increasingly disengaged, they become unproductive or they leave. One solution may be to find better positions for them in other departments. Global talent acquisition firm Alexander Mann Solutions recently created an internal deployment platform for one of its clients, Santander, designed in part to help retain long-serving employees. With tens of thousands of employees worldwide, Santander had huge amounts of data, not just from its own human resources records, but also from third-party platforms such as LinkedIn. This massive information resource was used to create a tailored platform that uses sophisticated algorithms to match employees with personalised career suggestions holistically and proactively.

Alexander Mann Solutions director of global client services Vanessa Byrnes says: "While talent man-

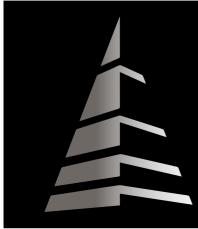
• Celebrate long service, but recognise and reward performance in accordance with company values and priorities agement strategies and budgets are often built around candidate attraction, the challenges and opportunities that long-serving colleagues present for HR leaders should never be ignored. At a time when the average tenure of individual employees is rapidly decreasing, HR must look at the retention of loyal, effective long-standing workers as a firm line of defence in the war for talent.

"A personalised and intuitive internal deployment platform ensures that team members remain interested, engaged and inspired by opportunities available in-house."

Nevertheless, while companies spend a vast amount of time looking at why people leave their job, there is a case for looking at why they stay.

Claire Harvey, senior divisional director at recruitment firm Reed, says: "Motivation can be affected by salary, hours of work, environment – and getting this right nurtures good relationships with staff.

"Often companies will offer over and above the market rate; some have a policy to pay 10 per cent more than their competitors so they won't lose people for salary reasons. This can be good and bad as some employees, who are not performing at their optimum, will not leave – low staff turnover isn't always a great statistic for HR."



How well are you managing your non-employee workforce? GEOMETRIC RESULTS

Please visit us at GeometricResultsInc.com for more information.

\$5BN

\$7.5BN

\$50BN

72%

**DOLLARS AT RISK** 

\$2.5BN

\$3.75BN

\$25BN

\$100M

SUCCESS

# Linking project talent and strategy

Make investing in project management talent a strategic priority, says **Mark A. Langley**, Project Management Institute president and chief executive



ost organisations around the world agree that talent is one of their most valuable resources and that a winning strategy is essential for success. What's less obvious is how talent and strategy are linked – and, more specifically, how the link between project management talent and strategy has a direct impact on an organisation's bottom line.

Research confirms that the connection between talent management and successful strategy implementation is often overlooked. In an Economist Intelligence Unit study for the Project Management Institute (PMI), Rally the Talent to Win, just 41 per cent of respondents said their organisation has a clear, accepted approach to strategic talent development. A fraction of those reported their organisations provide sufficient financial resources, C-suite attention or employee time for the management and development of the project management talent needed to implement strategy.

The stakes are high: on average, £122 million of every £1 billion invested in projects and programmes is wasted due to poor performance. Talent deficiencies are linked to unsuccessful strategy implementation efforts 40 per cent of the time.

On the positive side, the impact of aligning talent management and organisational strategy is substantial. When organisations excel at such alignment, they waste 50 per cent less on their projects, giving them a strong competitive advantage. They also have an average project success rate of 72 per cent. By contrast, organisations that have not effectively aligned strategy with talent management have an average project success rate of 58 per cent.

A significant issue related to project talent is supply or, more specifically, the lack of it. According to PMI's *Talent Management – Powering Strategic Initiatives in the PMO*, four out of five respondents reported that their organisations struggle to find qualified candidates to fill open project management positions.

The challenge is often related to the difficulty in finding project management professions with the right combination of capabilities.

Historically, when evaluating project management skills, the greatest emphasis has been placed on technical project management skills and sector-specific product knowledge. It has become clear, though, that leadership skills and strategic and business management expertise are just as important – if not more so. The organisations that are most successful with strategy implementation and managing talent look for project management personnel who can demonstrate the combination of technical, leadership, and strategic and business management expertise – what we call "the talent triangle".

\$150M

COMMERCIAL FEATURE

Alignment of talent

organisational strategy

SIGNIFICANT/GOOD

ALIGNMENT

MODERATE/WEAK

ALIGNMENT

management to

FINANCIAL BENEFIT OF TALENT MANAGEMENT ALIGNING TALENT MANAGEMENT TO ORGANISATIONAL STRATEGY

Percentage of projects

meeting original goals

72%

58%

**PROJECT SIZE** 

58%

DOLLARS

**PROJECT SUCCESS V DOLLARS AT RISK** 

and business intent

It's clearly to an organisation's benefit to have a strong commitment to talent management and alignment with strategy. Those that do have higher success rates with projects and they waste 33 per cent less money on strategic initiatives.

Because of the obvious benefits of focusing on talent and its relationship to strategy, it puzzled me for many years that so many organisations weren't giving these matters the attention they deserve. Several years ago I had the chance to talk about this with management guru Tom Peters. I asked him why leaders need to be reminded about something as obvious as how important it is to find and nurture the right people.

He looked at me and said, "You know why, Mark? Because it's hard." And it's true. But it's also true that people and talent will always be central to organisational success, and those organisations that don't shy away from the hard tasks will see better results.

With that in mind, we suggest a focus on the following five practic-

66 The link between project management talent and strategy has a direct impact on an organisation's bottom line es to help boost an organisation's talent management capability and strengthen its strategic capability: • Moving resources from current assignments to next opportunities effectively. This helps facilitate knowledge transfer and boost employee engagement.

\$100M

\$150M

\$1BN

AT RISK

PROJECT

·\$·

• Identifying replacement candidates needed because of turnover or churn. Periodically assess your talent pipeline and adjust your recruitment practices and processes as needed.

• Creating broad succession plans across organisational boundaries. Organisations that have strong alignment of talent and strategy have multiple project management career paths, including ones that are more project focused and ones that are more business oriented.

• Integrating talent management across the organisation. That means a focus on performance management, learning and training, leadership development, and recognition rewards.

• Hiring not just for technical skills. Business strategy and leadership skills along with technical skills form the aforementioned "talent triangle" – the combination of skills most in demand for project management.

UK organisations that follow this approach are already seeing positive results. "Talent development is a high priority for us and our Project and Programme Management Development Needs Analysis programme has won top industry awards for its capability to help project management professionals improve," says Dave Gunner, head of the PPM Academy at Hewlett Packard Enterprise.

"Additionally, PMI's Project Management Professional® certification provides us with a consistent framework and knowledge base for our



MARK A. LANGLEY PRESIDENT AND CHIEF EXECUTIVE, PMI

project managers across the globe, who embody the qualities of the PMI talent triangle. Our project managers, equipped with these skills, are able to execute successfully against projects and programmes, and contribute to accomplishing overall strategic goals."

Strategic change happens through projects and programmes. I often say that if you can't see your organisation's future in your portfolio of strategic initiatives, you have no hope of achieving that future. And the corollary to that statement is you have no hope of achieving that future if you don't have the talent who can execute those initiatives.

Whether it's about improving the bottom line, returning more money to shareholders or staying ahead of your competitors, it comes back to making the appropriate investments in talent in accordance with your strategy. Given that there is already a shortage of qualified project talent and that the trend is expected to worsen, investing in hiring and developing talent should itself be a strategic priority.

For more information please visit PMI.org/Pulse



# When a pat on the back is worth

Timely recognition of a job well done can be enough to energise and motivate staff – and worth more than a pay rise

#### CATH EVERETT

t is probably human nature to want to feel valued for doing a good job. So it should come as no great surprise that recognising positive employee performance and achievement is one of the top five means of ensuring staff remain engaged both in their role and with the wider organisation.

Samantha Gee, co-owner of boutique reward consultancy Verditer, explains: "It's a very cost-effective way to motivate people and works more effectively than cash incentives. Recognition is about that in-the-moment noticing and celebrating people around you for doing something good – it goes to the heart of us all wanting to feel appreciated."

This is because individuals are subject to two basic forms of motivation in the workplace: extrinsic (externally driven) and intrinsic (internally driven). Extrinsic motivation relates to material things such as the size of the employee's salary or the prestige of the brand they work for.

Intrinsic motivation, on the other hand, relates to purpose or how meaningful the job feels, how much independence they have and mastery of their area of expertise, which is where recognition comes in.

As Ms Gee points out: "Recognition enhances trust, promotes teamwork and boosts engagement, so people are missing a trick by not doing it."

Interestingly though, despite stereotypes relating to the infamous reserve of British leaders and managers, the UK is not necessarily the worst in terms of showing appreciation. That particular accolade belongs to Asia, which has the highest staff attrition levels in the world, according to Ilaria Gregotti, a partner at management consultancy KPMG's people consulting business. The hierarchical culture of many

countries in the region means that "non-monetary recognition is a for-

eign language", she says, whereas "the UK and US are fairly mature" in recognising achievement in other ways.

But that is still far from saying that the majority of organisations are getting it right. Ian Feaver, UK director at O.C. Tanner, which specialises in developing employee recognition and reward programmes, says: "Things are better than they were, but there's still a long, long way to go. A lot of people think they're doing the right thing by putting in a recognition scheme, but the education piece is often missing and it's often not done in a meaningful way in line with core values."

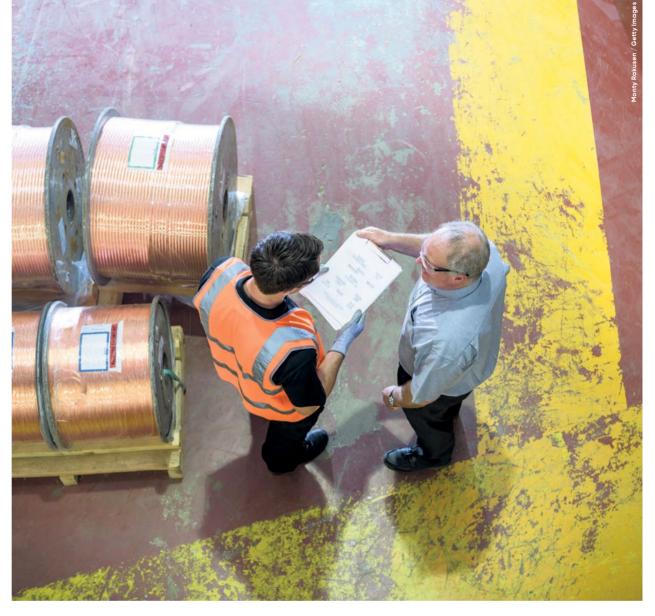
Verditer's Ms Gee agrees. "Very few companies are doing it well. Formal recognition programmes are OK, but what makes the most significant difference is when, in behaviour and culture terms, it just becomes something that everyone does," she says. But "everyone" does not just mean

senior leaders and line managers; it means employees at every level. "It spreads so when you work around people that are good at recognition, you start doing it as well," Ms Gee says. "Interestingly, it's also really motivating for the giver of recognition and not just the receiver – it just feels good."

Nonetheless, to embed such practices into the organisational culture, the initial impetus needs to come from the top. According to KPMG's Ms Gregotti, there are essentially three types of recognition to consider.

The first is monetary, which involves an employee's remuneration and benefits package. The second comprises formal institutional schemes that celebrate performance

• Recognition enhances trust, promotes teamwork and boosts engagement, so people are missing a trick by not doing it



and reward results. Although these typically consist of top-down "employee of the month" kind of activities, Ms Gregotti says she is increasingly seeing a move towards peer-to-peer recognition too.

KPMG, for instance, now runs its own version of the Oscars each year, the categories of which are "linked to the company's values of what good looks like". Co-workers choose nominees for each category and the award is a statuette rather than money. "It's important to include peerto-peer recognition as it's more inclusive; employees know who the best performers are and it's hard for the leadership team to always get it right," says Ms Gregotti.

But Ms Gee warns that, when celebrating an individual's success, it is also important to ensure the recognition is personal to them. For instance, while some people love to be publicly praised at a formal event, such a situation makes others cringe, although they may respond well to being mentioned in a newsletter.

For maximum impact, however, the reward itself should ideally be thoughtful and personal, although Ms Gee acknowledges it's hard to do. She explains: "The optimum is giving someone a gift, which could be time off or a nice meal with their partner, rather than cash as it just tends to disappear into their bank account. The idea is they can see from the gift that you know and understand them, and have thought about them."

APPLICANT TRACKING | CRM | TALENT ANALYTICS

# Meet the recruitment software your entire team will love.

Learn more at lever.co/times

LEVER

31 / 01 / 2017 | **TALENT MANAGEMENT** | 17

OPINION 🧪 COLUMN

# more than a rise

#### SOURCE OF RECOGNITION

EMPLOYEES WERE ASKED TO RECALL WHO GAVE THEM THEIR MOST MEANINGFUL AND MEMORABLE RECOGNITION



As for the third and most important form of recognition, this consists of informal, day-to-day praise and appreciation of colleagues. But it is here where we tend to fall short in the UK, says Ms Gregotti.

The leadership teams of too many organisations simply fail to connect with staff and recognise their achievements on a consistent and

CASE STUDY

regular basis. Instead they wait for the annual performance review or end-of-year awards ceremony to tell individuals they have done a good job, which is simply not enough.

It is, in fact, "informal day-to-day conversations that have a much bigger impact than formal programmes", believes Kirsta Anderson, global expertise leader for culture and engagement at people and organisational advisory firm Korn Ferry Hay Group (KFHG).

Think Money 2015

While formal schemes may be good for "injecting a bit of fun into what the organisation is trying to say about its values and they will have an effect, you can't do them every day", she says. Instead, what has ten times more impact is recognising an individual's achievements in a timely fashion.

O.C. Tanner's Mr Feaver agrees. "People should have their efforts noticed on a day-to-day basis," he says. "For example, they may have done something positive around a core value, such as innovation, perhaps by coming up with a great idea. So you could say 'innovation is important to the company so this is really valuable', even if it doesn't work."

The important thing is to "make the recognition fit your language, values and culture", he adds, with the aim of not only ensuring it encourages positive behaviour, but also comes across as genuine. But a key problem is that too many managers fail to look for opportunities to provide their employees with consistent recognition, claiming instead that they are too busy or do not want to give out praise for the sake of it.

KFHG's Ms Anderson explains: "If you say to a manager that they're not giving enough recognition to their team, a lot of them will respond, 'Do you want me to lower my standards?' But when they look at someone's work, they tend to focus on what's bad and skim over what's good, which comes across as negative."

What is likely to have the biggest impact in terms of boosting staff performance though is to "provide people with challenging, but achievable goals, give them personal responsibility for the outcome and timely feedback from a credible source", Ms Anderson says.

So while recognition in itself will never be enough, "it's important as it's the day-to-day energiser that keeps people going – it's the icing on the cake", she concludes. 'Meditation practices and mindfulness can be an effective antidote to the sensory overload of life in the 21st century'

> DR JENNA FILIPKOWSKI Head of research Human Capital Institute

Before you start reading this article, stop. Look at your mobile phone and notifications. How many alerts do you have? How many unread e-mails are sitting in your inbox? For how many minutes (or hours) during the work-

ing day do you engage in this stimulus-response behaviour with your mobile? It's likely to be longer than you care to admit.

Humans have become dependent on mobile phones as a primary source of information. No longer just a device for connectivity, we rely on mobiles for e-mails, messages, shopping and news alerts, and this onslaught of data interrupts our personal and working lives.

A few years ago, our research team at the Human Capital Institute (HCI) studied workplace distractions like this and evaluated their impact on individual and organisational performance. We collected survey responses from more than 400 HCI members, who work in strategic talent management, and 500 employees in individual contributor roles.

We asked individual contributors to rate how often distractions affect their work, and found that the biggest nemeses of productivity are overhearing co-workers' conversations in open offices, e-mail, lack of sleep and personal internet use. Millennials reported spending more time using their smartphone at work compared with other generations. Sixty per cent of human resources managers agree there is a pressure to respond instantly to e-mail rather than continue with their work.

Despite this, we found HR professionals and leaders are not overly concerned with these distractions affecting employees, though they do note its impact on task speed and employee engagement. Nearly half of organisations with technology usage policies say they are leniently applied and 13 per cent have policies that are rarely enforced. The most effective technology policy was implementing a "no device" rule during work meetings, but most HR leaders agree it is the individual employee's responsibility to manage his or her time. We crave escape

from boring or challenging tasks by distracting ourselves. Researchers from the University of

Virginia found that study participants would rather give themselves electric shocks than sit alone with nothing but their thoughts. Seeking distractions at work, whether checking your mobile or chatting with a colleague, is an exercise in moderation.

Humans need regular breaks and opportunities to reset working minds, but the key to maximising these breaks and using them to enhance your productivity is being mindful of the activity you choose. When you feel the urge to reset, going for a walk, breathing deeply, reading a novel or a long-form article, or even shutting your eyes for 15 minutes, is time better spent than mindlessly scrolling though the newsfeeds on your mobile.

In 2017, mindfulness is one of HCI's focus areas for our conferences, webcasts and research. We listened to our members and discovered they are struggling with how to maximise productivity in the distraction-filled workspaces of today.

We need a solution and techniques that were developed thousands of years ago may be the answer. Meditation practices and mindfulness – defined as a state of active, non-judgmental attention on the present moment – can be an effective antidote to the sensory overload of life in the 21st century.

Our research found that 80 per cent of organisations do not train or encourage employees to practice mindfulness, so individuals must lead the charge. When you are mindful of your thoughts and behaviours, you make better choices and, instead of reaching for your mobile out of habit, you can replace that trigger with a behaviour that further engages you with your work.

MANCHESTER AIRPORTS GROUP



"We never wanted our reward and recognition programme to be seen as a one-off initiative, we wanted it to become part of what we do, so part of our DNA," says Vikki Gledhill, reward business partner at Manchester Airports Group (MAG).

MAG, which operates four airports that employ 5,000 demographically diverse staff, introduced its Values in Practice (ViP) employee appreciation scheme in 2014. The aim was to retain key talent, and improve the workforce and customer experience, which Ms Gledhill believes are "both equally important and affect each other".

The scheme consists of three pillars. The first is to encourage effort, which is about encouraging people to appreciate and say thanks to colleagues via e-mail, verbally or using thankyou cards. "It's the more intangible element of making colleagues feel good," she says.

The second is to reward results, which involves providing financial benefits such as vouchers for excellent performance, while the third is to celebrate careers. Rather than simply recognising long service, the focus here is on commemorating career milestones.

Already the positive impact of the ViP scheme has been reflected in employee survey metrics. For example, the number of employees who feel "encouraged to perform to the best of my abilities" has jumped 22 per cent from 40 to 62 per cent.

But a key secret to success, Ms Gledhill says, is to tie the programme to the company's wider business values as they act as a framework for recognising and rewarding positive behaviour. "All our colleagues are aware of the wider values that the ViP scheme looks to reflect. So it's about linking those values to everything we do," she says.

#### COMMERCIAL FEATURE



# Lessons from learners: what L&D professionals need to know in 2017

The latest report from global workplace learning company Kineo shows how the demands of learners are evolving, prompting learning and development (L&D) professionals to rethink what they deliver

Att Johnson, global managing director of Kineo, has a favourite saying: "The last thing a fish is aware of is the water in which it swims." As the latest report from Kineo shows, requirements for workplace learning will continue to evolve during 2017 as learners increasingly bring learning habits and expectations from their everyday lives into work.

Mr Johnson expands on this cryptic analogy. "We're all in danger of being unaware of what's happening around us until it changes and in L&D this is more the case than ever before," he says. "I'm not saying your world is about to change – I'm saying it already has. We must make sure we're not limited by our own perspectives and that we're ahead of what learners are demanding, not running behind them."

Kineo's latest annual *Learning Insights* report, published today, shows how the way in which we learn is changing faster than ever, with a greater focus on how content is delivered.

"Today, traditional e-learning may not be enough," says Mr Johnson. "Learners want to browse, be entertained and be engaged with intelligent content, the same as they would if they were starting a new hobby or simply looking for information in their everyday lives. We're all used to carrying at least one mobile device with us 24/7 and having a wealth of information at our fingertips. "Last year new tech dominated our *Learning Insights* report as a game-changer for L&D. This year we can see that it's more than that – it's about how tech has completely changed our behaviour, our needs and our demands when it comes to learning, whether in or out of work."

#### 66 Tech has

completely changed our behaviour, our needs and our demands when it comes to learning, whether in or out of work

The "always-on" culture is transforming L&D. Constant connection means that, as people are used to being able to Google something instantly, they want their learning opportunities and materials delivered in a similar way. They're expecting knowledge at the time and place of need – not at a time prescribed by a formal training programme.

The L&D world is realising that this technological revolution is now putting learners in the driving seat. It is increasingly up to each person to shape their own career development. Individual learners will choose the learning resources they need and decide when and where they'll access them. "It's pleasing that L&D professionals are beginning to recog-



nise this change, but it does require them to adopt a new mindset as they accept their role is changing. Even if you work in L&D, you're still a learner too. Don't stop seeking new skills and tactics to keep your role relevant," says Mr Johnson. He offers three steps to L&D professionals to encourage greater engagement by learners. "Start by talking to learners and find out what they want or need to know. Then find out how they want to receive it or how they learn outside work," he says.

L&D professionals must begin curating content. "You don't have to start from scratch. There's a wealth of learning content already out there, some of which will be perfect for your learners' needs. But you do need to filter it and make sure that what you're offering is the best and the most relevant," says Mr Johnson.

Connecting learning together is essential so that learners can see what their overall career development, beyond just one-off training interventions, looks like. Work in partnership with your learners and employees to create career pathways, he says.

"Thinking back to that fish, unaware of its surroundings, L&D professionals must continue to look up, assess their world and make a shift in their mode of operation," Mr Johnson concludes. "Reading our new report is a great start."

Download *Learning Insights 2017* at bit.ly/learning-insights-17

RETENTION



# Avoiding the cost of saying goodbye...

Staff churn can impact morale and hit a company's coffers, so retention of valued employees should be a business priority

#### HAZEL DAVIS

ecisions to invest in developing and retaining talent are not just based on keeping employees happy, but on a cold economic rationale. Put simply, those businesses that can manage talent effectively are more likely to retain employees, so they reduce the cost of recruiting new staff as well as holding on to the knowledge and skills on which they often rely.

"There is a well-established link between costs of employee turnover and the bottom line," says Christine Naschberger, associate professor of management at Audencia Business School. "Expenses include recruiting, orientation and training, lost productivity and even lost customer satisfaction.

"There are also intangible costs, which may be even more significant than the tangible ones. These involve the effect of turnover on employee morale, organisational culture, social capital, the company's reputation and organisational memory. For example, some remaining employees may have to take over work from the person leaving, which may lower employee morale and cause conflict and dissatisfaction."

Then there's the time it takes those tasked with recruiting to do so. "The company must take into consideration internal recruitment expenditure, including HR's and managers' time to interview and screen candidates," says Janette Marx, chief operating officer at oil and gas recruiter Airswift. "Businesses also need to understand the upfront cost of advertising the role or using an external recruitment firm as well as potential relocation expenses and sign-on bonuses."

In all, a report by Oxford Economics in 2014 estimates the true cost to replace an employee is more than  $\pounds 30,000.$ 

Emma Bridger is founder of People Lab and contributes to the government's Engage for Success initiative.



She believes those who are responsible for recruiting and retaining talent need to measure the financial impact turnover can have in their own business, to help make the case for investment in employee engagement initiatives.

"The figure can be a wide-awakening moment for many CEOs," she says, suggesting it's advisable to enlist the support of the financial director. Factors to consider include the cost of training and onboarding, the recruitment process itself, including the time taken to travel to meetings, and the inevitable cost of lower output while new recruits get up to speed.

But not everything can be calculated, warns Graeme Paxton, sales director of talent management firm RTM. "Where it gets complicated is in assessing the hidden costs like dual-manning, mentoring, intellectual property, lost time, opportunity costs and the impact on business culture," he says. "It's also pretty challenging to assess the cost implications of specific job roles; someone in a customer-facing position brings added value because of the lovalty and relationships that lie with them, but how can that be quantified?"

Once businesses understand the cost of losing people, they will be more motivated to do something about it. According to a recent study by the Futurestep division of Korn Ferry, a common reason why people choose to move on is feeling they are not doing a job with meaning and purpose, cited by 73 per cent of respondents, compared with just 3 per cent who pointed to pay.

A perceived lack of progression is also often a factor, highlighted by 45 per cent of people in a recent LinkedIn survey of more than 10,000 people. Paul Modley, director of diversity and inclusion at Alexander Mann Solutions, gives the example of working with Santander to create more something about it

opportunities for internal job moves.

"They realised existing processes were not encouraging the level of internal mobility both the business and its staff would like, and implemented a new personalised internal mobility process that increased engagement with employees," he says. "In just ten months, internal hires increased by over a third.'

Offering the potential for people to develop is particularly important in certain sectors, such as digital, where the battle for talent is intense. "Investing in strategies that boost employees' digital capabilities is a great starting point," says C.J. Morley, global director for talent and development at iProspect, which recently launched its NEXTGEN global development programme. "This not only boosts engagement levels among employees, but also helps to entice younger prospective talent."

Alongside career development, there are other essential ingredients when it comes to retaining talent. Employee engagement firm Purple Cubed runs an annual engagement study with more than 10,000 employees in the UK, asking them what makes a great place to work. "For the last two years, the findings have revealed that being respected, getting results and work-life balance are the top three 'must-haves'," says Jo Harley, managing director. "In organisations where these areas weren't met, businesses suffered high levels of employee disengagement and a higher risk of employees leaving within six months."

Once businesses understand the cost of losing people, they will be more motivated to do

#### 'CAN'T GET NO SATISFACTION'

CASE STUDY



with their jobs than workers in many other countries, according to LinkedIn's Work Satisfaction Survey. The research found only 40 per cent said they felt "very" or "completely" fulfilled at work, compared with 56 per cent in Germany and 52 per cent in the United States. The percentages of those who would be open to another job if approached

by a recruiter were relatively consistent at around 75 per cent.

Having good relationships with colleagues is important for UK workers, ranking as the most important factor in feeling fulfilled at work, alongside salary (both 49 per cent). Those in Canada (57 per cent), the US (53 per cent) and Australia (49 per cent) also value this, but this is less of a factor in countries such as Germany, the Netherlands (both 38 per cent) and Singapore (25 per cent).

Attitudes to salary vary. This is a big factor in the US and Canada (both 59 per cent) and France (51 per cent), but is only important to 35 per cent in the Netherlands and just 21 per cent in Singapore.

Work-life balance is highly valued in the UK, with 38 per cent rating this as an important element of a job and 65 per cent saying they would be prepared to take a pay cut to have a better mix.

Being happy at work is particularly important to workers in the Netherlands where 91 per cent would be willing to reduce their pay to achieve this, compared with 85 per cent in Singapore, 77 per cent in France and 76 per cent in Germany. This is less the case in the UK, although 58 per cent said they would take a cut in salary to be more content in their job.

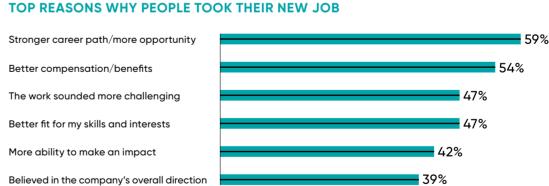
ADP's recent Workforce View study of more than 11,000 workers across Europe, which found the three main factors in motivating people were a good work-life balance (29 per cent). the ability to work flexibly (26 per cent), and a diverse and fast-moving role (24 per cent).

"These are all things that HR can implement without huge costs," says Jeff Phipps, general manager at ADP UK. Managing stress levels is also becoming increasingly important; 44 per cent said they regularly experienced stress and 5 per cent said

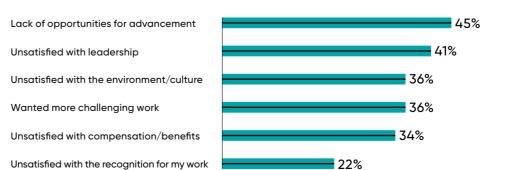
These findings were borne out in this was so bad they were considering leaving their employer.

If staff do want to move on, a one-to-one exit interview should be held at the point when they are about to leave, says Jemma Terry, managing partner at Odgers Berndtson. "It is important they feel able to be open and honest about why they are moving on, and how things could change, to retain others in the same situation in future, if appropriate," she says.

Yet there can be times when it's in everyone's interest for people to move jobs, to ensure people do not become stale and new ideas can infiltrate the business. "I like to use an analogy for this," says Matt Wood, human resources director of brand and marketing consultancy CAB Studios. "If you're changing the water in a fish tank, you can't take out too much of the old water or the fish will die as their environment becomes unstable and unfamiliar. Equally if you never change that water, the fish will also die as their environment will stagnate. It's about introducing just the right amount of fresh water so the environment remains healthy." 🔵



#### TOP REASONS WHY PEOPLE LEFT THEIR OLD JOB



Survey of more than 10,500 people who changed companies between December 2014 and March 2015, as self-reported on their LinkedIn profiles LinkedIn 2015

# PERSONALITY MATTERS

IN BUSINESS, THERE ARE TWO KEYS TO SUCCESS: MONEY AND PEOPLE

And nobody knows more about people than Hogan. Our comprehensive approach to personality assessment paints a clear picture that allows you to hire the right people, identify and develop highpotential talent, build better leaders, and improve your organisation's bottom line.

Learn more at **hoganassessments.com** 



THE SCIENCE OF PERSONALITY