Talent Management at the Crossroads

How 20 of the UK's best employers are rising to meet the challenge of turbulent times.

maynardleigh associates

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Introduction

The current economic climate threatens to undermine best practice in talent management as budgets come under scrutiny and attitudes are put to the test.

How many times have you heard companies say 'people are our best asset'?

20 years ago when Maynard Leigh first opened its doors for business with our pioneering approach to people development, 'people are our most important asset' was a much less common utterance than it is today.

We have seen attitudes change radically during this time. Talent is a business differentiator and hiring, developing and retaining the best people is an acknowledged source of competitive advantage.

But the recession is testing the resolve of even the most progressive employers. Talent management is at a crossroads. The current economic climate threatens to undermine best practice in talent management as budgets come under scrutiny and attitudes are put to the test. Have organisations merely been following the herd, or do boards really commit to talent management as a business fundamental?

Armed with our 20 year track record and perspective of the market, we set out to talk to 20 of the UK's most admired companies to find out how their senior talent professionals are coping with this unprecedented downturn.

Many companies we selected have appeared regularly in *The Sunday Times Best 100 Companies To Work For* rankings, others have won industry or HR awards for employee engagement. Our interviews were conducted in the first three months of 2009 with around half carried out in March when the unfolding financial crisis was at its peak.

We are profoundly grateful to our interviewees for their goodwill and co-operation, who despite being clearly under enormous pressure, were keen to share their experiences. Their generosity means we have been able to produce this study.

We have captured their experiences, often in their own directly attributable words, supplemented by observations and insights of our own.

Andrew Leigh and Michael Maynard
On behalf of all at Maynard Leigh
April 2009

Executive summary

In the first quarter of 2009, the directors of Maynard Leigh set out to meet with leading talent professionals at 20 of the UK's most admired companies to find out how these enlightened organisations are responding to talent management challenges in the worst recession for more than half a century.

The companies were drawn from a wide cross section of industries from financial services to consultancy to leisure and hospitality. All of the people who agreed to take part have ownership in whole or in part, of the strategies that determine how their people are attracted, developed, motivated, trained and engaged by their organisations.

With performance under threat from the downturn, activities not directly linked to revenue generation and business performance are normally first to suffer from budget cuts. The 20 companies in our sample clearly believe that investment in people supports business performance, so their response to market conditions sets the bar for how other less committed companies will respond.

The 20 companies in our sample clearly believe that investment in people supports business performance.

Ultimately this study set out to discover whether the advances in talent thinking over the last 20 years have really become embedded in the boardroom. Or whether, when the pressure is on, even the most admired companies feel they have to scale back their commitment to talent management because the return on investment is too intangible.

Defining talent: Rather than forcing talent management activity to be cut back to focus only on the most promising few, in some companies the recession has had the opposite effect. One company in particular told us how its leadership development model has been cascaded through the organisation to encourage individuals at all levels to raise their game.

Our investigation suggests a divided approach to the definition of talent. Just under half of the organisations we spoke to understand talent to mean a small number of 'high potentials' who they focus on developing, while the majority take a more inclusive view that talent management means helping everyone in the organisation to reach their potential.

Focusing resources: The recession is forcing companies to prioritise how they spend their available budgets to focus on the best returns: In some cases money is being directed away from senior management development and into front line training, particularly in companies where customer satisfaction demonstrably drives revenue growth. In others, companies are thinning out their activity and emphasising the best returns on investment by running one optimised graduate scheme instead of three traditional ones, for example.

But what is encouraging is that business priorities are clearly driving talent management strategies. Three quarters of the companies we spoke to said talent management strategy is decided at board level. This suggests that boards really have bought into talent management as a business driver.

Although measurement is a challenge, metrics are important to gain board commitment. Talent management must be able to speak the language of the boardroom beyond return on investment analyses to include factors such as risk management and succession planning.

As the recession deepens and puts the squeeze on recruitment budgets, developing and promoting people internally saves money, strengthening the case for succession planning strategies beyond the boardroom.

And where there is no alternative other than to look at reducing overheads to keep businesses healthy, best practice includes redeploying people from one part of the business that is under threat to another which has the potential to expand.

Communication: Timely and frank communication from the top can mitigate the unsettling effect on the rest of the team if redundancies are necessary. When it comes to delivering bad news there is no substitute for straight talking from the CEO.

Articulating a clear and definite talent management policy suggests clear thinking and is evidence the company and its board have a plan for coming through the crisis.

Staying positive: The companies we met used a formal structure to take the temperature of staff opinion. A key finding from our study was the importance talent companies placed on these staff surveys, many of which were used to influence and determine people policy and talent management.

With no possibility of pay rises or bonuses, providing people with more challenging work emerged as a strong driver of employee engagement amongst at least 80 per cent of the companies we surveyed. Companies that pro-actively develop their people through a series of planned career moves are usually better at retaining talent.

Contrary to the anecdotal belief that companies are struggling to manage and retain 'generation Y' (or 'whiney' as we heard them referred to) we found emerging evidence that companies are impressed by the digital skills, the networking ability and the general enthusiasm of 'generation Y' the 18-28 year olds who are also helping them understand their younger customers.

Conclusions: The overall message emerging from our discussions is stark and simple. Companies that now choose to turn their back on developing people could suffer the consequences for a generation.

Human resources, once seen as a marginal discipline is under increasing pressure to help deliver growth and profitability.

The 20 companies in our study remain fully committed to retaining and developing their people and see talent as a major factor in the success of their business. Best practice in this challenging business climate involves taking positive steps to retain and develop talent to rise above the competition and emerge ready to take advantage of the upswing rather than just concentrating on surviving the present downturn.

What is talent?

"There's still a fundamental shortage in the supply of talented people. The supply of high potentials doesn't increase. There are two priorities – How do we recruit them? Then if we lose them, how do we fill their place?"

Jacqueline Davies, Group head of talent and executive resourcing, Lloyds Banking Group

HR directors tell us that talent plays a vital role in driving business success. But how do companies define talent? How do they identify it? And even more importantly once they have spotted it how do they nurture and retain it?

Our investigation suggests a divided approach and attitude to talent. Some employers like Bourne Leisure and BSkyB believe talent is about everyone in the company realising their full potential. Others with a more elitist approach assume talent management is limited to the high potentials – the rising stars who will one day run the company.

Some HR directors are undecided and many we spoke to clearly believe in having it both ways. As long as the talent management budget will provide learning and development for all, it is perfectly possible for companies to pursue parallel policies with two or more sets of people progressing through the organisation at different speeds. But for most companies, this study revealed that hard choices have to be made.

Hard choices

Talent management is vulnerable in a downturn. No one knows how deep the recession will turn out to be and virtually all of the companies we interviewed have recently overhauled their talent management strategies and are keeping them under review. In many cases the choice is between investing in talent management for all or concentrating the spend where it is believed it will be most effective.

Zurich, for example, has created what it describes as a 'talent management culture' with line managers being trained to manage talent. Chris McCormack, head of talent, learning and development at the Zurich Academy in the UK explains, "We have adapted our talent management strategy to take account of the present economic context. Rather than reducing the focus on our high talent population, we have sought to make efficiencies in our talent management spend. We continue to make sure our talent strategy is strongly linked to business objectives."

An important part of a line manager's role in any organisation is staff appraisal and in some organisations this can mean completing a nine box grid for performance management – one axis for performance the other for potential. One HR manager told us, "We want to concentrate on people in the top right hand corner." This approach seemed fairly representative with Zurich making change management an HR priority for 2009.

Of course, if a company wants to forge ahead on all fronts, the best way of keeping budgets intact is to make talent management processes as efficient as possible - a strategy that Prudential pursues.

Case study

A lean approach for Prudential

Prudential UK & Europe has evolved a lean and pragmatic model for talent management. Its 'back to basics' approach works well in any economic climate but the present recession is proving that a sharp focus on value for money pays dividends.

The sale of the online bank Egg, in 2007, and the outsourcing of some of its operations to Capita in 2008, gave Prudential's UK business a rare opportunity to overhaul its talent management strategy as part of a wider transformation of HR. Nick Kemsley, director of resourcing and development says, "We have been able to re-examine many of our key people processes from the ground up. This has allowed us to make things as lean as possible, without having to compromise on value or quality."

Prudential Group operates a federal approach. Strategies are aligned for people at the Group and local level, with scope for individual businesses to do their own thing when it makes more sense. There is an HR director overseeing the process from a UK & Europe perspective with a small HR leadership team of three functional directors as direct reports. Talent meetings build upon the performance management process in twice-yearly People Reviews. Critically, these meetings include discussions around talent management, organisational development activity and succession planning. Outputs are recorded and monitored in area development plans that generate a strategic helicopter view in which talent management can be linked to business outcomes in an integrated and holistic way.

To capture the value its policies are adding to the business, HR analyses outputs rather than inputs. Kemsley, who has an organisational development and engineering background explains, "Our approach to talent management is data rich and process light. We can see if money and time spent has delivered results in terms of confidence and the ability of our line managers and the impact on business risk."

Managing risk dictates the thrust of talent management priorities. Kemsley argues, "We don't try and solve everything. We manage risk most where risk most needs to be managed. For example, we place most HR focus on succession planning for the senior management team and specific business critical roles below that level."

"We manage risk most where risk most needs to be managed"

Prudential talent management measures the impact of interventions on individual managers. Information on the effectiveness of training and development plans helps demonstrate value to the board.

Kemsley staunchly opposes what he calls 'a culture of process polishing'. He dislikes complicated competency frameworks and a view that a 4x4 grid is always better than a 3x3 grid. Instead managers are appraised pragmatically on the basis of individual performance and capability within the context of the roles that they do now, and might do in the future.

This is a common sense proposition missed by many employers who insist on fitting square pegs into round holes, moving talent around with no apparent structure. Kemsley is more interested in how an individual's strengths, weaknesses and capabilities play out in the long term. "The balance of capabilities that one manager has may be perfect for one context, but difficult to translate to another."

Prudential UK has four behaviours which it applies to all staff – Deliver, inspire, challenge, connect. It expects its managers to role model these behaviours. An employee survey helps to understand the extent to which they are being embedded. The first of these surveys showed a 76 per cent participation rate and strong pride in the company brand.

The X factor

The ubiquitous TV knock-out talent contest suggests a national obsession with a 'winner takes all' approach. But is corporate talent management strategy doing the same, focusing only on the rising stars? And is this at the expense of developing everyone else?

Many companies we encountered focus their talent management strategy on identifying and developing star performers. There are certainly proven business benefits in growing your own top talent. Typical of this approach is Bacardi-Martini Ltd which uses a rigorous employee appraisal process to develop staff and to help them develop their careers. Within the organisation there is a definite emphasis on high potentials. Allison Campbell, HR director says, "We've identified around 20 per cent of our workforce as rising stars. These are promotable people who we expect executives will spend a lot of their time with."

One HR director of a FTSE 100 company told us the current crisis was focusing minds on identifying the rising stars and retaining them, "At its best, talent management can be quite Darwinian. Our talent strategy is like a pyramid. I see the top 15 per cent of the organisation as the top performers and give them differentiated development."

Britannia Building Society used to be elitist and it still preserves the process for selecting its future leaders. Britannia's head of leadership and people development, Adrian Powell lists four key qualities for its future leaders: credibility, capability, character and core values. While the HR team is confident it can identify the first three, the building society is also being more selective when matching individuals with the company's core values.

Powell says, "The first three we can measure via various metrics on a red amber green basis. The 'core' has more of an 'X factor'. What is it about leadership and what truly defines great leaders? It's that special factor and that's at the core."

Being the best

The 80/20 rule cropped up many times during our interviews. HR directors for example, spoke about "80 per cent of our budget being targeted on 20 per cent of high potentials" and even of "getting the talent strategy 80 per cent right"

So it was refreshing when Sarah Myers, director of talent management for the 16,000-strong BSkyB told us, "Talent isn't just confined to the top 20 per cent. We continually challenge people to be the best they can be."

> "Talent isn't just confined to the top 20 per cent. We continually challenge people to be the best they can be"

The telecommunications and media company uses talent management to define opportunities and employee engagement. It is an approach that many companies in our study share. But few put it as succinctly as Myers, "Our definition of talent is everyone in the organisation. Sky is a very democratic place to work."

Not long ago Britannia focused talent management only on its stars. But responding to the recession, Britannia has cascaded its leadership development model throughout the organisation to encourage individuals at all levels to raise their game. Powell says, "Initially, my focus was the top 100 leaders, but the role has now been broadened to look after the development of all of our 5000 staff. It includes responsibility for talent and succession – how we identify and grow individuals who can make the required progress through the organisation and take key leadership roles… Our focus in the last eighteen months is looking at potential in our middle and senior managers. We identify those who are performing well and also have the potential to advance to boarder roles."

Bourne Leisure, the UK holiday camp to caravan park operator that runs Butlins, also adopts a

broad definition of talent. Sue Davies, its head of human resources says, "We refer to talent as recruiting and retaining the best, which means we have to train and develop them as necessary so we need to be flexible to the needs of individuals."

Why are some companies more focused on stars and others more focused on distributed talent? We believe it comes down to how customer-centric the organisation aims to be. In recessionary times an intense customer focus is even more vital. Bourne Leisure's Sue Davies explains, "Talent management is what helps to make the profit for us, looking after our guest is key. We have redirected money away from some senior management development and put it into front line training. Giving our customers the very best experience will deliver us sustainable profit growth in the future."

Generation Y

Generation Y, the group aged from 18 to 28 grew up with the internet, i-pods, facebook, gap years and student debt. They are now experiencing a workplace in recession.

Gen Y is often characterised as challenging of authority, believing too much in themselves, and unwilling to settle for a steady career, contrasting greatly with previous generations.

Here is what some of our companies said about them:

"I call them generation whiney"

"They're the generation that have never had it so good"

"The more of them I manage, the more frustrated I become"

"Salsa is as important to them as the (office) paperwork"

We laughed. But to be fair, the individuals who expressed these views were also half joking. More often than not they took a broader, more tolerant view. Gen Y may pose a challenge to the authority of Gen X managers but they bring a great vibe, an unparalleled ease with IT and web 2.0 and a robust attitude to work-life balance.

"They're the generation that have never had it so good"

"The more of them I manage, the more frustrated I become"

"Salsa is as important to them as the (office) paperwork"

Here are some of the positive things HR directors said:

"There's a fearlessness and sense of self confidence among Gen Y"

"They feel empowered to ask the right questions"

"They want and expect more of a work-life balance"

"They have had to do things quicker and better"

"There's a fearlessness and sense of self confidence among Gen Y"

"They want and expect more of a work-life balance"

Only four companies in our survey actually told us they were unsympathetic towards Gen Y. The majority found they had made a positive contribution. And a significant number of companies, particularly those with a workplace demographic leaning towards older age groups, said that they were determined to treat everyone the same.

This attitude can do a lot to create a sense of fairness in the workplace and cement a culture that transcends age groups. Henry Stewart chief executive of Happy, a small computer training company says, "I think the difference between Gen Y and other groups can be over-hyped. The key to a happy workplace is involving as many people as possible in the key skills needed to run the business. Generation Y may react most strongly against command and control management but it doesn't work for any age group. And all benefit from better work-life balance."

Generation Y has had a profound influence on Axa's people strategies. As a result of discovering what motivates this demographic subset, Axa has shifted its communications to aim at a more technology savvy group. Much the same occurred at Marriot Hotels where the Gen Y group criticised its company visiting cards as 'old technology'. Marriot Hotels consequently introduced a more innovative one that also doubled as a CD-Rom.

Sonia Wolsey-Cooper, Group HR director of Axa UK says that the Gen Y expectations are, "different and their attention span is shorter. We're becoming much more visual rather than aural. You need a more succinct message. Young people are looking for high impact experiences. They are punchy, vocal, and vying for attention. That feeds through into society. It all builds up to a slightly different attitude to the world of work."

"The challenge for us is to marry the expectations of a diverse workforce from people who've been with us for 30 years right through to new grad. intake. We've come up with a healthy culture that all can buy into without any sector feeling excluded."

Learning from its Generation Y talent is also helping companies connect with a younger market. And that has to be good news in a recession. Sonia Wolsey-Cooper takes up the story, "Generation Y has forced us to look at our external brand. Generation Y are keen to find out about the values of the organisation and how it operates socially. That's very difficult. I think organisations should be challenging the way they do business and their roots in society and the environment."

The business case

"Commercial decisions or investment in people - it's not an 'either or'… We recognise that what our leaders do shapes the culture and therefore we invest in the development of our leadership."

Adrian Powell, head of leadership and people development, Britannia Building Society

The business case for investing in talent management even in recession would seem to be straightforward. If companies are serious about coming out of recession in great shape, then they will need to retain and motivate their talent.

But this does not mean employers will sign a blank cheque to spend whatever it takes to recruit and retain the best. All the HR directors we interviewed linked their talent management strategies with business priorities, indicating that business is driving talent management rather than the HR tail wagging the corporate dog.

Do you link talent management with business strategy? 100 per cent agree

Consequently, metrics are important. To gain board commitment, HR often had to make a business case for investment in talent which meant either proving the return on investment from learning and development or demonstrating where the talent priorities should lie. Our study revealed that 40 per cent of companies had re-prioritised their talent management strategy in the light of the recession.

Contributing to growth

The 20 companies we interviewed emphasised how important talent was in enabling them to deliver an excellent service. From financial services and business consulting, through to hotels, leisure and advertising, it is talent that differentiates average companies from the truly outstanding.

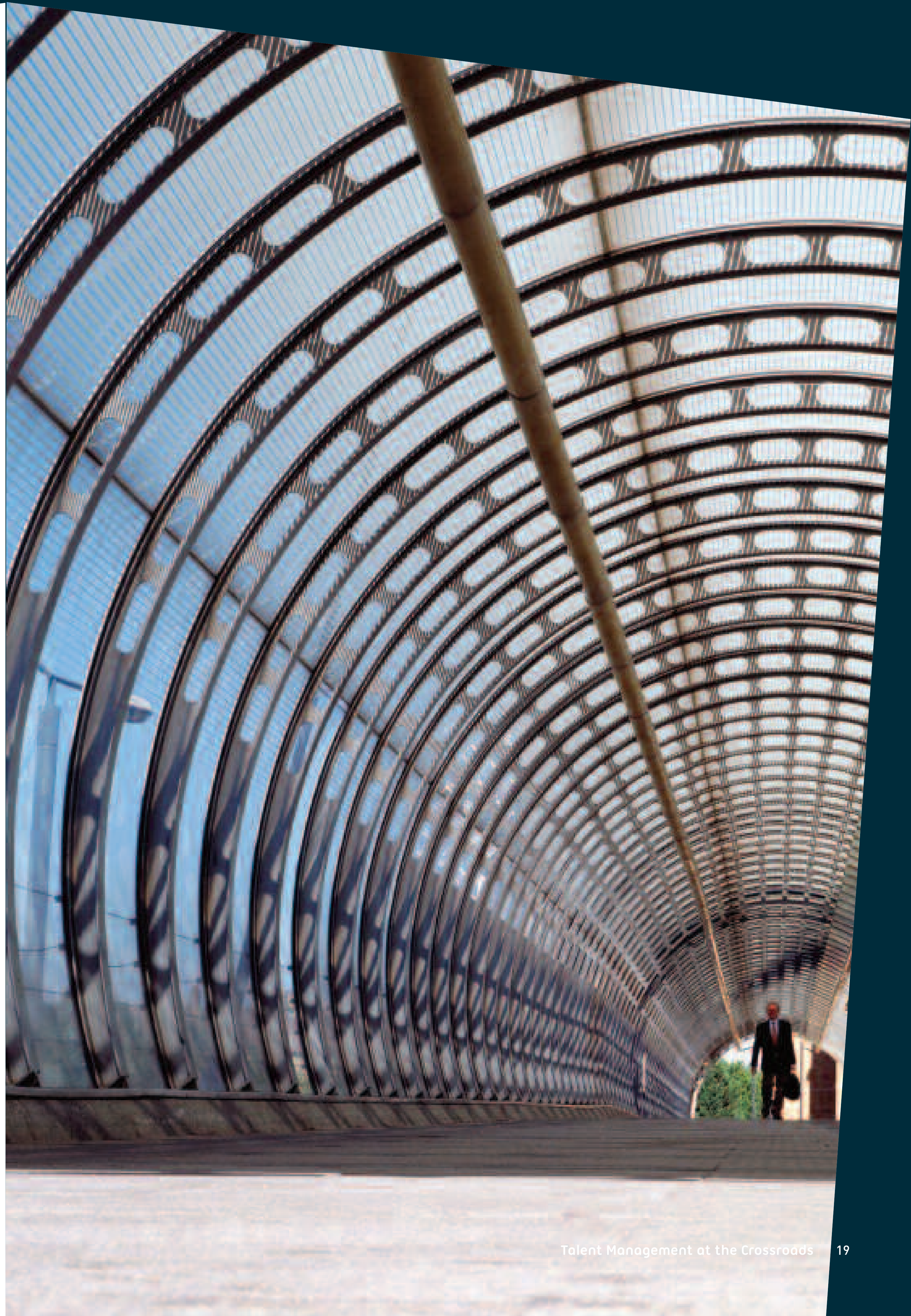
Our sample of outstanding companies was almost unanimous in this assertion. Wholesale redundancies would never be an option and if some restructuring was needed then it was critically important that this process was handled with sensitivity.

Those companies that were optimistic about growth prospects placed a heavy emphasis on the importance of recruiting and retaining talent. For example, Sonia Wolsey-Cooper, Group HR director, Axa UK told us, "It's the old adage that it's the people that count. Tangible assets are only 20 per cent of a company's business. The biggest part is the goodwill and the ability you have within your organisation."

For talent to thrive it needs a climate of trust and a management style that steers well clear of a command and control culture. BSkyB exemplifies this point. Its director of talent management, Sarah Myers points out, "We believe talent management is even more critical in recessionary than in the good times. In difficult times you see true talent shine through. For us it's an opportunity to give some of our talent direction and a chance for them to demonstrate what they can do."

But does possessing a talented workforce help companies deliver better profits? Allison Campbell, HR director of Bacardi-Martini Ltd certainly believes so. She says, "Yes - although you couldn't put a percentage on it. Having a talent management strategy helps us understand our strengths, our gaps and our profitability."

As the following case study from the advertising industry shows, a company's talent can also be a powerful brand and its best ambassador.



Case study

Building a talent brand-Agency Republic

Agency Republic has created a powerful brand in the digital advertising industry. Founded in 2001 as part of the media group Omnicom and employing a staff of 85 mostly creative people, the company was founded by four directors, one of whom is still with the company as its managing director. The board plays a hands-on strategic role with talent management decided at the board level.

As the name 'Agency Republic' implies, the management structure is flat and participatory. The individual's contribution is vital to the success of this young and dynamic firm where the average age is just 29. Agency Republic has positioned itself as an employer of choice and the firm has won some high profile recognition in this area. In 2007, Agency Republic won the Pathfinders Media Employer of the Year award and was also named one of the top five agencies to work for by Campaign magazine.

Talent director Sedef Onar believes talent management is central to the firm's growth and profitability. "Our people are our main differentiator. That's why our focus is to attract the best talent, and keep them happy and motivated."

The firm's commitment to understanding its peoples' personal and professional aspirations and managing their careers accordingly plays a key role in keeping them motivated, as does an impressive client portfolio – O2, BBC, Diageo and Playstation – and the excellence of creative output.

ROI and other metrics

We were particularly interested in how our sample of HR directors made the case for talent management. So we asked them about whether they measured return on investment and how they assessed the effectiveness of their talent management strategy.

These were the results. The recession is focusing minds on talent, but what is it worth to the company? And can anyone put a number on the value of a talent management programme?

Only one of the companies we spoke to calculated return on investment in any formal way. This company, which prefers not to be identified, measures the value graduate trainees add to the business by calculating the extra revenue created by a graduate in revenue generating projects and multiplying that by the total number of graduates to give the total return to the business. The company compares this performance with a control group of non-graduates in similar roles. Its talent manager told us, "We store info for the programme and separate out what is cost from what is return to produce a cost to income ratio. For every pound we spend on talent management we record multiple returns in the form of additional sales. Our training programme therefore shows a dramatic return to the business. In a climate where the competition is cutting back, I know where I'd be investing my money."

If it is difficult to link increases in sales with investment in talent or learning and development then most HR directors believe that you can demonstrate the value of talent management strategies by their impact on employee engagement. This metric can be and is measured through employee surveys. One HR director told us that he focused the talent management budget on boosting employee engagement. He reasoned, "If we spent our talent budget on advertising and brand awareness we would lose it in a recession."

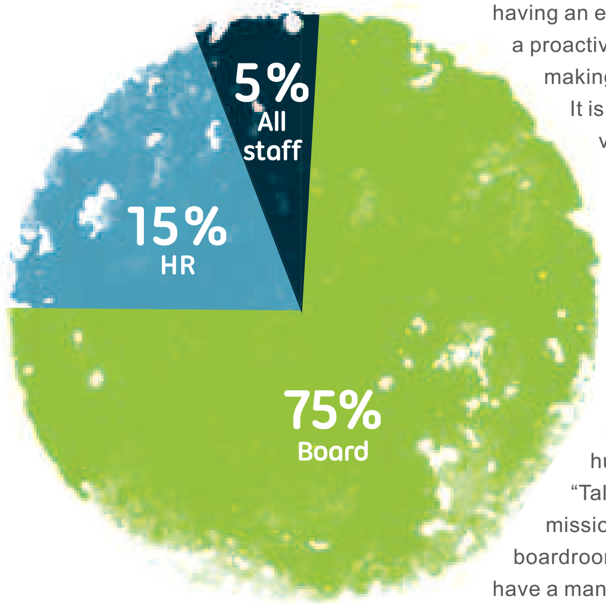
A belief in employee engagement proved to be universal across all the companies we interviewed. Those we talked to believe that investing in employee assessment, learning and continuous professional development invariably feeds through to improvements in morale which comes through in employee surveys. One HR director told us that "training managers to communicate better and develop better relationships with staff is money well spent because the quality of line management is a deciding factor in employee engagement."

HR directors were also attempting to make the business case for investment in talent management by highlighting the costs to the business of losing key staff and the recruitment bill for filling vacancies. Indeed, many HR departments made the link between high satisfaction surveys and low attrition rates.

Board commitment

Generally we found that board commitment was high in our sample of companies as this pie chart shows:

Where is talent management policy decided?



Once the board is committed, it is then likely that the resulting talent strategy becomes more responsive to real business needs. Insurance group Zurich has made changes in response to the downturn. Chris McCormack, head of talent, learning and development, Zurich Academy UK, comments, "Ensuring we have the talent to deliver our business strategy is even more critical today in the difficult circumstances we are operating in. Creating a strong talent pipeline in Zurich is vital to our business aims - there is buy-in to this at the highest levels in the Group."

Talent management strategy is decided by the Zurich insurance group's main board in Switzerland and is implemented by the various national businesses with slight regional modifications. The strategy is sensitive to feedback from employee surveys and company performance.

Getting board commitment partly stems from having an enlightened CEO and partly having a proactive HR department that is constantly making the case for talent management. It is not enough to simply assert the value of talent management.

So how do companies decide on business priorities for talent management? The board of Bourne Leisure analyses the sales figures from its holiday camps and caravan sites when deciding where to spend its talent management budget. Head of human resources, Sue Davies says, "Talent management is part of our mission statement and is decided in the boardroom. The three separate brands each have a management team, managing the brand and the talent. Last year was a difficult one for us. Our team survey has established a link between profitability (of a site) and employee retention. Our conclusion was that the sites that looked after and retained their teams delivered better results." As a result the board of Bourne Leisure is refocusing training and development on customer-facing staff.

From what we have seen, board commitment would appear to be a key ingredient in setting a talent management strategy that is linked to a company's business objectives. In the present uncertain economic climate, talent management is at a crossroads as human resources comes under increasing pressure to help deliver growth and profitability.

Case study

Lovells LLP board backing

International law firm Lovells LLP has recently appointed a senior partner to represent talent management on the firm's international management board. The move has strengthened the firm's overall HR strategy, reinforcing a more merit-based approach to talent management based on individual appraisal and meaningful conversations regarding careers.

A standardised approach to talent management owned by the board facilitates a common approach to career development across the organisation. This approach represents a move away from the time-honoured practice common among law firms of promotion based solely on years of seniority.

Kay Willis, director of HR, said, "We're interested in assessing the contribution of senior associates using a merit based approach. We can benchmark performance based on appraisal and against the competencies expected at each level. It's a qualitative process. HR is currently working on a set of metrics for talent management that the executive board can agree to. These are likely to include factors like regularity of appraisals, and access to appropriate training."

Putting a process around talent management provides a structured experience, additional resources for continued professional development (CPD) and a smoother career progression. Willis says, "There was a real gap between the role performed by partners with their great gamut of responsibility and the role performed by senior associates in the run up to promotion to partner. We've eased that transition."

Strategies for today

"There is an ongoing strong commitment at the top of the organisation to talent management… In the current economic climate this will continue. We will perhaps be even more focused than ever on prioritising expenditure and on return on investment (ROI), however we aren't going to stop training and developing people."

Brian Fitzgerald, HR director: Group talent management, Atkins

Which talent management strategy works best in a recession? Which strategy best enhances employee engagement and which makes most sense in terms of business objectives? Is there a conflict at work here?

In terms of strategy, virtually all of the companies in our study gave high priority to succession planning. For any company, filling business critical roles in the senior management team and developing future leaders is at the core of a talent management strategy, especially in recessionary times.

Even as some of the most admired companies are forced into making redundancies and reducing investment, another core aspect of strategy is maintaining morale and employee engagement in the face of a welter of bad economic news. The recession has put additional focus on extracting the best value for money from stretched talent management budgets.
Many companies have adjusted their strategy to cutback on recruitment whilst emphasising developing the potential of their existing employees. Firms with a reputation for talent management have already moved in this direction. They realise that growing your own talent is cheaper and more effective than recruiting it, particularly mid-career.
There are cost effective alternatives or supplements to formal learning and development. Many of the companies we contacted offer coaching and planned career moves as additional ways to enhance professional qualifications. In turbulent times, suitable vacancies to challenge high flyers may not always be available. In these situations, people still need to feel they are developing and not standing still. Companies that are proactive at developing their best people through a series of planned career moves are usually better at retaining talent.

Succession planning

We found that succession provided a focus for talent management in 40 per cent of the companies we spoke with. Even if the companies adopted the democratic approach of helping everyone to succeed and achieve their potential, when confronting the current economic reality, firms placed succession planning high on the radar. The two processes of helping everyone and succession planning are not mutually exclusive. Jacqueline Davies, Group head of talent and executive resourcing at Lloyds Banking Group observed that these "are two sides of the same coin. Talent is about individuals, succession planning is about roles."

Typical of this concern was Britannia Building Society. Its head of leadership and people development, Adrian Powell told us, "We identified a group of 40 people last year who we see as high performers. We put them through a development centre to identify how close they are currently performing to our definition of leadership. We match the pool of 40 against the key strategic initiatives of the business - We want our top people working on these key initiatives... Whereas talent is about the people, our succession planning is about managing business risk. It enables me to manage the risks - have we got the right people now and for key roles in the future?"

Legal and General Group plc has changed tack and succession planning has now come to the fore. Group HR director, Elaine MacLean told us, “In previous years a lot of our development budget was spent on middle managers’ skills – getting them through externally accredited Institute of Leadership and Management (ILM) programmes. The spending was on core skills and practical operations-based courses. Now the focus is on future requirements – succession planning. In our organisation we have a lot of key talent that is critical for the roles they do, such as actuaries.”

Jacqueline Davies, Group head of talent and executive resourcing, Lloyds Banking Group took a robust view of succession planning, arguing first that it needed professionalising and an image makeover. In particular she argued, “We need to understand a lot more about vital roles and gaps. It depends on how you do it. If it’s in terms of critical roles you build-up a better diagnostic around what you need to build for the future of the organisation. It gives you insights.

Succession planning is a good place to start asking where we need to go. We need to get better at understanding what the data is telling us. We need to look at all sorts of succession planning data – how deep is it? How much talent do we have?”

Ultimately good talent management is all about good business planning. For example, Bacardi-Martini Ltd has carefully aligned its strategy with long term business goals as the following case study shows.

Case study

Bacardi-Martini Ltd - defining talent strategy

Bacardi-Martini Ltd, the premium spirits company, underwent a major restructuring of its UK business ahead of the recession. The closure of a production and distribution depot in Southampton with the loss of around 250 jobs and the concentration of the commercial business at the Winchester site has put the company in a sound state to weather the downturn.

The company’s HR department has a clearly defined talent management strategy which prioritises succession planning. The company devotes resources to training managers to identify the rising stars and develop them appropriately. This translates into providing them with opportunities for sideways moves as well as promotion.

HR director, Allison Campbell explains, “It’s all about making the connection between personal growth and corporate good. Talent management is a key part of the process of helping people understand where they fit and where they contribute. We go through the talent management process on a six-monthly basis. This is distinct from performance management – how you’re doing in your job. Talent management is focused on potential. Do people have the potential to progress?”

The recession has prompted a review of internal mobility and people are now expected to stay longer in their jobs to encourage the development of true expertise in the role. This has resulted in an unexpected bonus of depth of experience and greater commitment to continuous professional development. Ms Campbell says, “The economic downturn, amongst other things, has prompted us to think about the best way to provide opportunities to move people to different functions and give them different skills. Now it’s more important to have strong experience in the role. People stay longer in their roles and become truly proficient. This differentiates us from the competition. A junior manager will stay in post a minimum of two years and a senior manager a minimum of 2-5 years. Her colleague, HR manager Claire Palmer agrees, “The feedback we’ve received has been very productive. People are recognising that staying longer is going to be beneficial to their careers. The more we can achieve a true balance of developing depth of skills in roles and providing opportunities for individuals to develop in an appropriate timeframe, the more our business and our people will benefit.

Priorities

We found that firms were making hard-nosed decisions based on where they want to be in two or three year’s time. Yes, they make contingency plans and yes, budgets are tight, but then that is fairly predictable. What is interesting is how the recession is leading to a re-think of priorities. One talent director of a FTSE 100 company told us, “The recession has helped us prioritise. We now run one grad scheme where in the past we ran three. We now get more bang for our bucks.”

When civil engineering consultancy, Mott MacDonald Group Ltd introduced its new professional development programme – structured training to boost engineers’ commercial skills – it had to ration availability. Clearly in recessionary times, CPD is not an entitlement but a privilege that has to be earned. When this new scheme was started it was open to everyone three years past their chartered status. But Group learning and development manager Carole Teacher says, "We didn’t have resources to develop everyone as that would mean a programme involving 800 people a year. People must show they will benefit from the programme and demonstrate they are motivated to be included. We’re trying to help people move their careers on, inside the company rather than outside.”

In these straitened times a 'one size fits all' approach to talent management appears to be going out of fashion. We found companies were opting instead for a more tailor-made approach, directing spending towards interventions that would make the most impact. Engineering consultancy Atkins, for example, engages with its people as individuals, having developed what its HR director: Group talent management, Brian Fitzgerald describes as "a more holistic approach to talent." The recession has made Atkins "focus more on deploying talent effectively and on redeploying talent within the company. Individuals don't have to aspire solely to becoming a business manager in order to do well. We have three career routes to ensure individuals are valued equally if they have technical, business or project management expertise. You can have a career, not just a job in Atkins."

Restructuring and redundancies

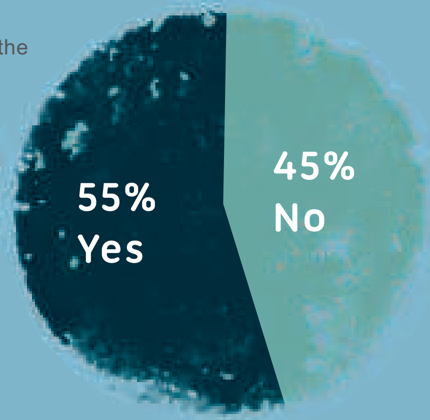
Talent is not a silver bullet to ward off recession. The economic turmoil currently cutting a swathe through business and industry does not distinguish between companies with enlightened talent management policies and those without.

But there is one important difference among those renowned for talent management: their deliberate strategy involves a long-term vision and a belief that their company will emerge from recession better placed than when it started out. It also means that these companies will tend to pay a lot of attention to employees' concerns. Describing the situation one HR manager explained, "We've had to let some people go at the top end of the organisation because there is nowhere for them to go. But the emphasis lower down is on redeployment, transparency and fair assessment."

Although our study found that redundancies were a fact of life, the important ingredient in HR strategy is how the company dealt with the situation.

Timely, open and frank communication can mitigate the unsettling effects on the workforce if redundancies have to be made. Also, having a definite talent management policy suggests clear thinking and is evidence that the company and its board have a plan for surviving the crisis.

Have you made redundancies in the last 12 months?



In some cases, companies respond to recession by redeploying skilled individuals from one part of the business that is affected, to another part which has the potential to expand. PricewaterhouseCoopers LLP is a classic example. PwC director of organisation and people development, Mick Holbrook says, "I would describe PwC as a classic 'ice creams and umbrellas' business. We have been moving people from traditional tax and audit roles to meet new opportunities in business recovery or insolvency. Even in a downturn there is plenty of business – the real challenge would be stagnation."

Similarly, Bacardi-Martini Ltd turned a commercial decision to consolidate the business into a plan to help people build more secure careers within the company.

Preparing for an upturn

What is the outlook for talent like? According to our study and amongst these companies with a reputation for talent management, half have either maintained recruitment at the same or at a slightly reduced level, compared with 2008. A bullish 25 per cent say they are actually taking on more talent.

Are you still recruiting?

Five companies have stopped altogether (25 per cent)

Seven have reduced recruitment (35 per cent)

Three say they are maintaining recruitment at the same rate as last year (15 per cent)

Five say they have increased recruitment as they are expanding (25 per cent)

Even if we are at the start of what could turn out to be a very long and deep depression, most of our talent-focused companies seem resilient and optimistic that they can turn things round. The weakness of the pound against the Euro and the dollar, for example, is set to boost UK tourism. Sue Davies, head of human resources at Bourne Leisure comments, "We see 2009 as a huge opportunity for us, more people will be holidaying in the UK. We have though diverted some of the budget to the front line. There is lots of training with the customer facing roles such as receptionists, sales and retail."

Legal and General continues to expand in the Middle East and India while filling talent gaps and recruiting for an even larger expansion. But telecommunications and new media group BSkyB says that even though its business plan is on target, it will be cutting back slightly on recruitment. Director of talent management, Sarah Myers comments, "We're very fortunate. The business is in good shape. We run a fairly tight ship. We don't over-recruit."

Levers of engagement

"The firm has a family feel. Everyone can talk to the chairman if they want. People are made to feel important – they're not a production line. Top people have never earned a big differential."

Carole Teacher, Group learning and development manager, Mott MacDonald Group Ltd

Given the thrust of Maynard Leigh's work with clients we were particularly interested to discover what the various companies we encountered saw as the main levers for achieving high levels of staff engagement. As anticipated, there was considerable variation in their respective visions of what works:

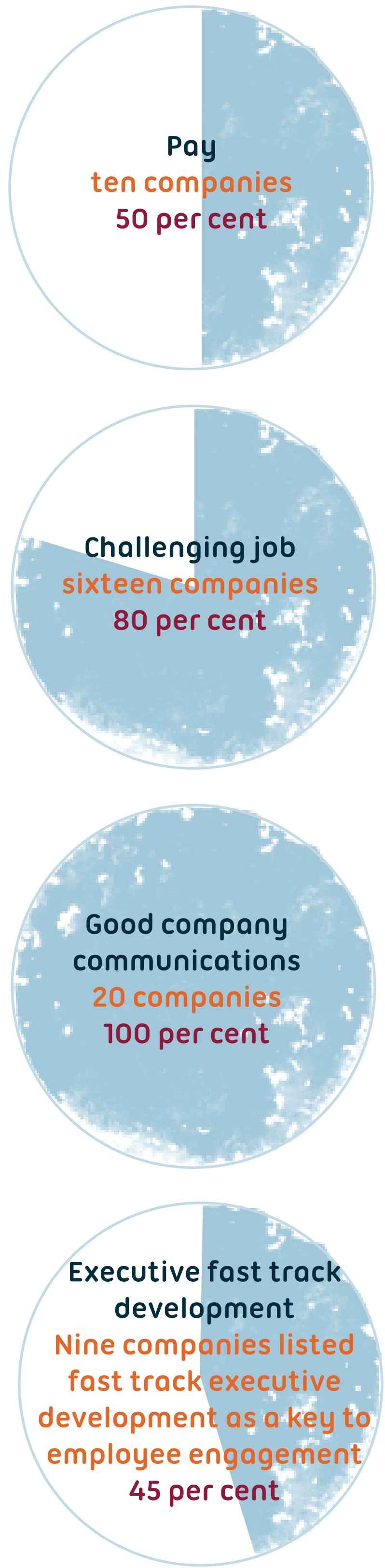
"The secret of engagement is really simple. It's doing meaningful work and being treated fairly."

"Approachability, respect and openness – that's the main thing."

"It is always striving to engage with people as individuals."

"In these turbulent times, internal communications are even more important than ever – staff need more information more frequently on what is happening."

What are the drivers for employee engagement?



Pride and culture

What makes a company an employer of choice? Many of our samples of talent-focused companies see themselves as precisely that. The fact that people want to come and work for them makes it easier to attract and retain talent.

There is no one answer to this question. Branding is certainly part of it. A company's reputation rests on the quality of the product or service as well as the way it treats its staff. Awards such as *The Sunday Times Best 100 Companies* and accreditations such as *Investors in People* also play a part. Consultancy group, Atkins is justly proud of its award winning civil engineering projects, its expertise and high profile in its field as much as its enlightened approach to staff professional development. HR director: Group talent management, Brian Fitzgerald explains, "Atkins has very strong values with regards to the importance of talent management and to helping individuals to understand their capabilities and needs. People get a sense of pride working in a company where they feel engaged. Retention rates are very high amongst those who have been through our graduate development centres and management development centres."

Digital advertising agency, Agency Republic also places a great deal of importance on being an employer of choice in the industry. "The challenge and creativity of the work is a major driver of employee engagement, as is the firm's commitment to helping individuals develop their careers," says Sedef Onar, Agency Republic's director of talent.

As Onar suggests, pride in the job is an important motivator. Creative industries, as much as consultancy and professional services firms, are well-placed to offer variety and challenges which allow talent a chance to shine. The message from all of the talent-focused companies we spoke with is that people respond well when given flexibility and control over their work. Talent likes to be trusted.

Pride can also be reflected in the culture of the workplace. Sarah Myers, BSkyB director of talent management says, "Talent management at Sky is driven by our business strategy. Our CEO Jeremy Darroch has set six priorities, one of which is 'being a great place to work'. These priorities filter down to the business units at a micro level and drive the business plans."

Case study

Walking the talk – Marriott Hotels International Ltd

Putting its people first is a clear mission statement that has enabled Marriott Hotels International to outperform its rivals. The policy of 'walking the talk' is ingrained and for Marriott Hotels, talent management is about encouraging everyone in the company to achieve their full potential.

Gary Dodds, regional vice president HR for the UK, Ireland, Middle East and Africa region explains, "The key for me is the culture. Talent management says something about the organisation - who we are and what we do. When Bill Marriott handed over the reins to his son Bill Junior, his advice was 'Forget about targets, put your people first. If you truly get to know your employees and treat them with dignity and respect, then this respect will be reflected in the way they treat your guests.' Being made to feel special is what brings guests back and repeat business and customer satisfaction drives profit and turnover and return on investment to turnover too."

As a management company, the chain which operates as a hotel management company and franchisor, achieves a consistent approach to HR and people processes through communication and employee engagement. Marriott invests a significant amount of its talent management budget in its corporate intranet, a user-friendly site which keeps staff up to date on all aspects of the company, its performance, policies and opportunities. This includes a recruitment website with internal and external vacancies and a candidate management system which receives 450,000 hits a month across the UK, Ireland, Middle East and Africa region. The intranet also features information on discipline issues and other information.

In response to the economic downturn, Marriott has put a temporary freeze on recruiting and has implemented a voluntary 4-day week across the UK and Ireland. This will help to retain employees and will ensure the business survives these very difficult times and that it emerges with talent intact.

Marriott is putting an emphasis on retention, engaging with its workforce and on continuing to develop talent from within. Gary Dodds says, "We want to make sure we do the best for our people even in these difficult times, though, sadly, some redundancies have had to be made. We have invested time and money in creating employee brand awareness. That is the look of the hotel and the advertising that you see when you click on our website as a customer or as an employee. It's a visual brand. We keep investing in our brand even during an employment freeze."

> "Talent management says something about the organisation - who we are and what we do"

When Marriott Hotels started comparing staff satisfaction surveys with occupancy rates and profitability it made an interesting discovery. "When Steven Marriott (Bill's son) decided to analyse the associate satisfaction surveys going back over some years he saw that when the scores were down, the business was also down, as was customer satisfaction. But when satisfaction levels were high, so too was repeat business and profits.

Marriott's leadership culture and philosophy of doing the best for its people even in these hard times is what makes Marriott different," Dodds added.

Pay and prospects

Research suggests that above a certain level, financial rewards cease to become a motivator. We found that in the present downturn companies were becoming more inventive about finding ways to retain their talent. But even without bonuses there are plenty of other levers of engagement. Agency Republic's Sedef Onar told us, "Talent management has always been a focus but we have less money available to do some of the things around talent management that we used to. Our training budget is still intact but we are thinking hard how to keep our people motivated. The key is to make sure managers are more empowered to ensure their people are rewarded – not necessarily in financial terms but in other ways."

In a recession many employers could argue that they no longer need to pay quite so much attention to keeping pay and conditions competitive. The HR and talent directors we spoke to were keen to emphasise that although the recession was discouraging staff from looking around the job market for companies offering better prospects, talent still had choices and rewarding loyalty remained a priority. This comment from one HR director is typical, "I'm not at all complacent. Even though we are in a recession and employees are staying put, we are still making as much of an effort to keep all of our people."

There may be less mobility but companies taking on staff were concerned not only to pick the best talent available but also that people are fully committed. One HR director told us that a candidate she had offered a job to turned it down. "That person told us they felt that in the current climate it was safer staying where they were. I'm glad he told me. I wouldn't employ anyone who was less than 100 per cent committed."

Communication and corporate social responsibility

Communication is a two-way street. Talent companies are good at communicating how the business is performing in the downturn. Issues like the need for redundancies or restructuring are approached early on.

When it comes to delivering the message there is no substitute for straight talking from the CEO. Abingdon-based educational software company, RM prides itself on having a very engaged workforce. Deb Self, HR manager says, "We have a very open culture. Terry Sweeney our CEO sits in the middle of an open plan office. People feel more involved.

"We have monthly management meetings which give staff information on profit and turnover so that people can see how the business is doing. It's designed so that people can feel management is listening."

Over in Battersea at Agency Republic, Friday is a day for talking. The agency's management believes open dialogue with management in an informal setting boosts employee engagement. Sedef Onar describes the scene: "Each Friday we serve drinks from five to kick off the weekend. There is free toast and fruit in our office kitchen and a relaxation room. It creates the right environment for people to be engaged and stimulated. And once a month we all come together at an all-agency meeting to share news, work and general updates. We open the floor to questions and challenges."

The companies we met used a formal structure to gauge the temperature of staff opinion. A key finding from our survey was the importance talent companies placed on these staff surveys, many of which were used to influence and determine people policy and talent management

Here is a sample of what they told us:

"Face-to-face interaction has been increased, thus providing opportunities for people to seek clarification on issues and to be able to express their views."

"We run half-yearly staff satisfaction surveys – a basket of measures that benchmark us to companies in financial services."

"94 per cent of employees completed the survey. That in itself is a massive endorsement."

"The key is timely communication – keeping employees involved. We have an intranet that is updated daily. It's about keeping employees engaged and involved."

"I report to the board on an annual basis, the actions we're taking with regards to the annual employee survey."

"We take our employee engagement survey very seriously. It's not just a process. We are very conscious of the very strong link between how we treat our customers and how we treat staff."

"We survey all staff on a quarterly basis and the results are fed to the board. Each of the directors will then go to his or her division and discuss the results with their team before deciding what to do."

From our meetings we concluded that staff surveys not only provide vital feedback on employee engagement they are also a key element in talent management.

Middle Management - Empowering middle management to take decisions is a form of communication that builds employee engagement. Sue Davies head of human resources at Bourne Leisure told us, "The secret of talent management is the ability (of our site managers) to act quickly and decisively. Leadership deals with issues as they arise and takes local responsibility so that things don't fester for a long time."

Awards - Part of good communication is celebrating success. In its annual staff survey, respondents told BSkyB management that recognition was an issue. Given the limited opportunities for firms to pay bonuses an awards ceremony is a more democratic way of celebrating success. It is a chance for everyone to come together and have a good time. Sarah Myers of BSkyB says, "We now have our annual Team Sky Awards for staff. Anyone in the company can vote to recognise each other. Our CEO and our Executive Team select the winners. We also have special recognition awards linked to departments. Sky Sports have the 'Golden Balls' recognition awards and our Entertainment Department has the 'Grafters'!".

Corporate Social Responsibility - An essential part of branding for talent companies is social responsibility or ethics. Although charitable activity can drive employee engagement it was mentioned in only a minority of the companies we spoke to. However, it featured heavily in Zurich's view of talent. Chris McCormack, head of talent, learning and development, Zurich Academy in the UK commented, "Something we're proud of is engagement with the community. In the area of corporate social responsibility we've been a player for a long time. Zurich Community Trust has driven a lot of activity. ZCT provides significant funding for programmes and work such as the Marie Curie Trust and Child Line, and the Calvert Trust, which is a hospice organisation. Our programmes are part of development funding into organisation. We have funded an eye hospital in Gujerat and the Association for Physically Disabled People in India. Our CSR programme is a brand within a brand. In 2008, the company had 80 teams doing challenges across the UK."

Learning and development

Learning and development is as much about giving people challenging experiences as it is about formal qualifications. Sedef Onar, talent director with Agency Republic commented, “One of the key things is that people are building a career with us. You come in as a graduate or at any point in your career and continue to grow. We are a dynamic organisation, we make sure people are always growing and learning. We invest in learning. We want to keep people stimulated.”

Learning and development is vulnerable to budget cuts and tends to be one of the first items of spending to be cut in a recession. However, we found that companies that are seriously committed to managing talent take the opposite view. We found not a single company had entirely axed its learning and development, although several were making minor cuts.

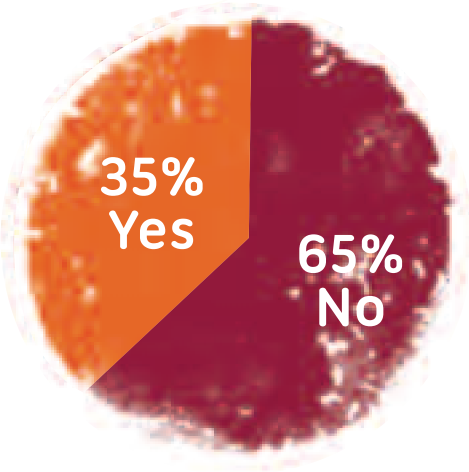
One company was prepared to put its reputation on the line to defend training. The overall message emerging from our discussions is stark and simple. Companies that choose to turn their back on training, or learning and development now could suffer the consequences for a generation.

With talent management at the crossroads it is even more important for companies to engage with and motivate talent. Even when talent management budgets are squeezed, many of the strategies covered in this section are low cost or no cost options. They are an integral part of workplace culture. What is important is for a company to show it values its talent.

Have you cut learning and development?

Seven companies have made cuts to learning and development
(35 per cent)

Thirteen companies are maintaining the training budget or have increased it slightly
(65 per cent)



Case study

PwC - A University for Talent

Talent management is top of the agenda at PwC and the firm has taken a bullish approach to talent in the downturn. This year the £2 billion revenue business plans to recruit 1000 graduates in the UK for a variety of roles. Mick Holbrook, director of organisation and people development says, “The real value to our clients is the high calibre of our people.”

The mega merger between Price Waterhouse and Coopers and Lybrand in 1998 established PwC as the leader not just in professional services but in the quality of its graduate talent programme. Holbrook says, “Our training supplies not just our own talent needs but also feeds that of wider industry. We are often seen as a university for talent where people gain high quality training and experience.”

PwC’s board has formulated a strategy to deliver a talent management vision that is aligned to business strategy over the next 3-4 years. PwC has created an emerging leader programme in which talent is identified and fast tracked through structured, practical leadership development. Also available to this group is the PwC Business Diploma developed in partnership with London Business School. For the past five years PwC has been voted The Times Hi Fliers Top Graduate Employer five years in a row and has been consistently ranked in the Sunday Times Top 20 Best Big Companies to work for.

The downturn has put the spotlight on business restructuring, insolvency and business recovery and PwC has been able to move talent from traditional tax and audit roles to meet these new opportunities. Mick Holbrook describes the firm’s shifting business model as ‘an ice creams and umbrellas business’.

PwC believes very strongly that failing to recruit talent through a downturn could have serious consequences for the business. Holbrook says, “During the last recession of the 90s big firms including our own experimented with reducing the graduate intake. As a result when the upturn came management skills were in short supply and we were left with key gaps. We’re certainly not making that mistake this time round.”

“We’re certainly not making that mistake this time round”

Conclusions

The biggest economic downturn in recent history has focused the spotlight on talent management. For many companies, the situation brings them to a crossroads where they must decide on their commitment to talent. The war for talent is not over; it has merely entered a new phase.

From our in-depth meetings we conclude the following:

Definition: Talent is about recruiting the best and also making the most of what you've got. Just under half of the companies we met defined talent management as succession planning for senior or business-critical roles. However, 60 per cent claim that talent management is about developing all staff. We conclude that succession planning has been growing in importance as the recession has deepened and recruitment budgets have been squeezed.

Board commitment: Board commitment is crucial to the adoption and success of talent management. In 75 per cent of the companies we interviewed, the talent management strategy was decided at board level. Having the CEO or a board member champion talent management maximises the chances of protecting learning and development budgets.

Business strategy: Every single one of the companies we spoke to linked talent management and business strategy in some way. The recession has made this connection more tangible and explicit as HR directors take a more holistic view of the business and seek to link expenditure on learning and staff development with positive outcomes. As one HR director told us, "Commercial decisions or investment in people - it's not an 'either or'".

Surviving recession: Talent is key to long term strategy and most of the companies we spoke to believed that in order to come out the other side, ready to take advantage of the upswing, they needed a full complement of talent. The key is identifying, developing and retaining talent within the company.

Retention: Companies most likely to emerge from the recession in the best shape are those that manage to hang on to their talent. The best way of doing that is not through higher salaries or bonuses but comes down to providing more challenging, rewarding and meaningful work.

Companies are also motivating their employees with high potential by mapping out their career progression through a series of developmental roles within the organisation.

Employee engagement: Companies included employee engagement in their talent management metrics with the results feeding back and informing their people strategies. For example, 90 per cent of our companies conducted a staff survey at least once a year with a significant proportion taking the temperature more frequently, sometimes on a quarterly basis.

Companies also recognised greater engagement as a positive return on investment in talent. The majority of our respondents told us that high levels of employee engagement represented a useful metric for assessing the return on investment for talent management.

Drivers of engagement: Providing people with more challenging work emerged as a strong driver of employee engagement amongst at least 80 per cent of the companies we spoke to.

Brand: Talent-focused companies use this as the key to creating competitive advantage. A significant number in our study told us that talent was central to their brand.

Gen Y: A significant number of companies (45 per cent) regard generation Y (young people aged up to 28) as an asset. We found emerging evidence that companies recruiting talent are impressed by the digital skills, networking abilities and general enthusiasm of generation Y.

Budgets: It would be wrong to say that everything is rosy. The sheer scale of the recession is forcing companies to be pragmatic about their talent spend. 55 per cent of the companies we spoke to had made redundancies and 35 per cent had made a small cut in their learning and development expenditure. Significantly, no company in our study had cut their talent management budget although most were prioritising their expenditure – for example, on staff communications and succession planning. 100 per cent of companies paid close attention to internal communications.

Recruitment: One in four of the companies in our study had frozen recruitment. While this may be inevitable, it's undoubtedly a negative sign which puts pressure on a company's ability to continue to develop and retain existing talent.

When the internal talent pipeline is no longer fed, a company becomes far more vulnerable to the losses associated with losing an employee from the ranks of those who make the greatest contribution. However, the scale of the downturn means that some companies will freeze recruitment as a short-term measure. This is balanced by the encouraging fact that 15 per cent of the companies we spoke to were still expanding and actively recruiting.

Our overall impression is that the best talent management companies are taking positive and often inspiring steps to retain and develop their talent, despite the extremely challenging business climate. Their approach provides important lessons for all companies wanting to rise above their competitors and excel rather than just survive in the present downturn.

Breakdown

1. Do you link talent management with business strategy? 100%

2. What is the main focus of your talent management strategy?
Is it about developing the potential of all your staff or about succession planning?

12 companies (talent is about all staff) 60%

8 companies (talent refers mainly to succession planning) 40%

3. Do you run an employee survey?

4. Do you measure return on Investment for your talent management budget?

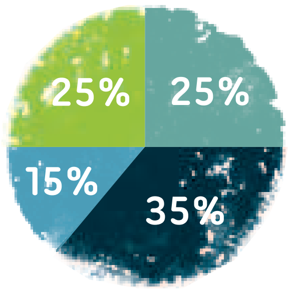
5. Where is talent management policy decided?

6. Have you made redundancies in the last 12 months?

7. Are you still recruiting?

Five companies have stopped altogether

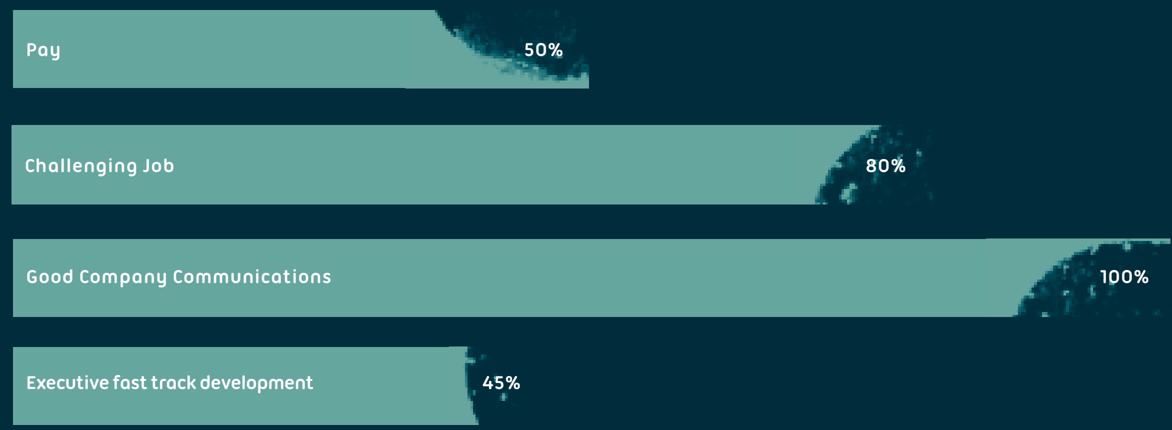
Five say they have increased recruitment as they are expanding



Three say they are maintaining recruitment at the same level as last year

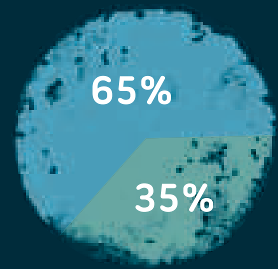
Seven have reduced recruitment

8. What are the drivers for employee engagement?



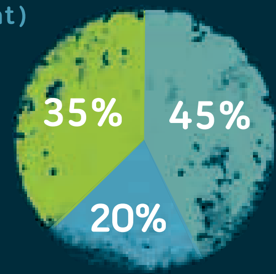
9. Have you cut learning and development?

Seven companies have made cuts to learning and development (35 per cent)
Thirteen companies are maintaining the training budget or have increased it slightly (65 per cent)



10. Gen Y – Are they an irritant? An asset? Or is everyone treated the same?

Nine companies regarded gen Y as an asset (45 per cent)
Four companies said that they found Gen Y an irritant (20 per cent)
Seven companies said we treat everyone the same (35 per cent)



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