

ENGAGING TALENT FOR SUCCESS

Attracting and retaining talent has never been tougher. Smarter approaches can get much improved results. It's not only how you attract talent, but how you manage and engage the talent you have.

Insight Paper
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1. Management is Evolving

Management is changing. It is less about control and more about trusting in employees.



Management is more “two-way” than it has ever been

Compensation
& Reward



Wellness
Offerings



Teamwork

Recognition



Feedback

Employees have emerged out of lockdown with a revised sense of what is important for them. Globally, there is an upward pressure on salaries, across many roles and sectors. It makes it increasingly important to ensure you are incentivising the right outcomes. Here are some learnings from recent research and client approaches.

- **Be crystal clear about what outcomes you want to reward.** Make sure outcomes are matched with the right reward elements. Ensure what is measured is what you need, and everyone knows what their individual and team contributions need to be.
- **Keep well-being front and centre.** After the worldwide health crisis, individuals are much more aware of wellbeing as a key topic. Most businesses have leaned into this, and it will not be going away as a core theme. The support and nurturing of an individual's wellness will continue to be an important element of overall management focus. This should be revisited regularly to ensure you have created the right supportive wellbeing approach for your colleagues.
- **Define an employee value proposition with differentiated rewards to attract talent and drive performance.** Decide how rewards will link to your strategy or purpose. For example, a large FS business provides higher retirement benefits - both retirement funding and education - to reinforce their purpose of providing financial wellness to all.
- **Some teams may require different rewards structures, including agile teams.** For example, you may want to define team-based rewards rather than individual in your agile teams, in lieu of individual incentives. Teamwork is a major topic in organisations today, and there is an emerging trend towards shaping rewards that recognise and reward high performing teamwork.
- **Promote equity and fairness through transparency.** Conduct focus groups with diverse employees to ensure these benefits meet their differing needs.
- **Listening hard and two-way feedback are even more important parts of the toolkit than before.** People's needs are more nuanced and changeable.

Create a culture of enablement rather than control

Previously many leaders equated home work with colleagues wanting an “easier day”. Leaders have changed their views on this, but many companies are still trying to find the right balance. Few truly embrace trust-inspiring work structures like flexible hours.

Putting the right structures in place can allow employees to excel according to their strengths. This works best when companies are transparent about their long-term business objectives and employees' personal goals are aligned with these objectives. "Trust" comes much more naturally in this framework - it's simply a matter of giving employees the freedom to achieve their goals in a way that fits their working style.

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Trust is everything with remote work, but business behaviour doesn't reflect it.

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2. Colleague Engagement is Vital

Employees have emerged out of lockdown with a revised sense of what is important for them.

Colleagues want connected to purpose and team

1. Purpose

Employees expect their jobs to bring a significant sense of purpose to their lives. Employers need to help meet this need or be prepared to lose talent to companies that will. Such findings have implications for your company's talent-management strategy and its bottom line. People who live their purpose at work are more productive than people who don't. Their well being is better, they can handle bigger challenges, and they stay longer when they can personally relate to their company's purpose. They become stronger advocates.

→ Start with having a clear organisation purpose.

→ Connect it to all your colleagues and continually repeat that connection.

→ Help individuals find their own purpose. When employees have a chance to reflect on their own sense of purpose, and how it connects to the company's purpose, good things happen.

2. Communication

In Erica Dhawan's book "Digital Body Language: How to Build Trust and Connection, No Matter the Distance" she states, "Contemporary communication relies more than ever on how we say something rather than on what we say." "Reading carefully is the new listening", Dhawan says "We talk less and write more at work these days. Writing and listening need to be a more dominant leadership skillset. Take time to make sure what you are writing is clear and helpful. And most importantly soak in all the relevant points and questions that your colleagues are raising.."

→ More messages than ever are relayed via the written word. Make yours count. A dropped word or forgotten punctuation can doom a message. That's why it's critical to proof read before you send. Also, bold the text or use bullets so people understand what's most important and your expectations.

→ An effective phone call can prevent confusion, miscommunication and time-sucking email exchanges. Instead of asking one tiny question after another in writing, you can formulate the right questions and answers in a phone call. Call others when you: receive a confusing or unclear message, need to address a sensitive subject, or want to build relationships.

3. Sense of Belonging

Post-COVID, colleague engagement will be a key measure of a brand. Building engagement strengthens community, and that's especially valuable right now when people are seeking connection. LinkedIn research concludes that the growing percentage of organisations who prioritise engagement see their cost per hire decrease by almost half, and their turnover rate by almost a third.

→ Create a sense of community. It has major wellness benefits in a hybrid world of work. Employers who pay extra attention to connecting teams emotionally, help dispersed workers build resilience and manage job stress.

Four tips for engagement success

1

Stop asking employees to tell you what you want to hear and find out what they REALLY think

Many employee workshops are structured to reiterate what the employer wants to hear. Take an approach that really listens to the voice of your colleagues.

2

Give your values an assist with a unified and powerful brand narrative

Make your purpose and values real, so that colleagues understand what is acceptable and what isn't when you are not in the room.

3

Let employees build how they work together

Think about the experiences your employees value: Have they been translated into a remote or hybrid experience?

4

Let's acknowledge that we've been on a journey that has changed us

The culmination of that journey will be a new kind of people-focused work culture — with new behaviours, rituals, and a stronger sense of collective identity. Employee engagement will become the new measure of a brand's success.

Case Study:

QA, a global social networking service, built a hybrid work brand toolkit, which provides both tangible and virtual links to the company's culture. The toolkit creates new shared behaviours and unifies the experience so that the organisation doesn't unintentionally create an inequitable work experience when you are remote compared to in the office.

Brand matters to colleagues

The #1 obstacle candidates experience when searching for a job is not knowing what it's like to work at an organisation.



Candidates trust the company's employees

3x more than the company to provide credible information on what it's like to work there.

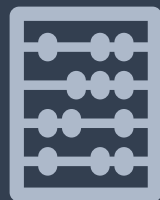


75% of job seekers consider an employer's brand before even applying for a job.

52% of candidates first seek out 1) the company's sites and 2) social media to learn more about an employer.



28% reduction in the organisation's turnover.



50% more qualified applicants.



50% cost-per-hire reduction.

1-2x faster time to hire.



Source: LinkedIn Survey on impact of Positive Brand and impact on Colleague Engagement

3. The “War for Talent” – Maximising Attraction

The challenges around talent attraction and retention have never been more complex. Employers can't control it all but we can consider how we respond in a rapidly changing and dynamic landscape.



Finding and retaining talent is the number one concern for many CEO's

The continuing struggle to recruit and retain staff is top of the agenda for both scaling and established businesses. The problem has existed for a number of years within technology, and has been more even more prevalent in certain disciplines such as engineering and cloud. It is no surprise that as the economy relies even more on technology that this shortage has increased and is now a severe problem for a lot of businesses. There is no question that at the moment we are experiencing a number of challenges:

- Remote working – talent is now accessible by all. This can be a positive for companies who are able to hire fully remote workforce but also means your workforce can be targeted.
- Bidding war for talent resulting in vastly inflated salaries.
- Candidate driven market – employer proposition must be appealing and competitive.
- Skills shortage. The maths doesn't work...for every seven technology roles advertised there is one candidate.



Investing in talent planning and acquisition should be at the top of business agendas.



Increase of demand for Software Engineers up 36% since June 2020

Cloud skills are in the top 3 most in demand skills in the UK Technology market

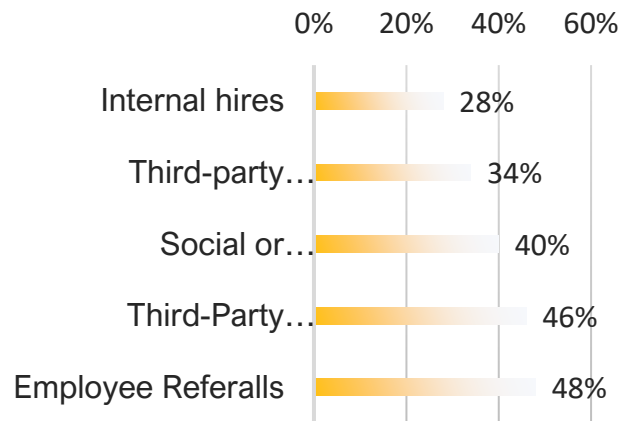
Significant lack of diversity in the technology workforce with 15.2% from ethnic minorities and 25.5% female

Candidate-driven market, with salaries increasing between 10-30% for engineering and cloud roles in 2021

Remote working and bringing technology in-house creating a further drain on UK-based resource

Candidates more accessible than ever, but type and quality of approach is key

Businesses have access to some valuable and relevant data when it comes to shaping a hiring strategy. Examining and acknowledging how an organisation is currently attracting talent can be incredibly useful and can help to identify the things that are working well, and equally, the areas where challenges are appearing. Speaking to existing employees and listening to their views on what attracted them to the role and company can also help to shape a message to market. Inevitably they will have different views and opinions, but this is rich information that can then be used to formulate your approach. The majority of hires still come from employee referrals –and this applies across all sectors, not just technology, therefore investing time in understanding what encouraged existing and new employees to join will reap rewards.



Note: based on a 2017 survey of 3973 talent-acquisition decision makers who work in corporate HR departments and are LinkedIn members. Source: LinkedIn
From: Your Approach to Hiring is All Wrong by Peter Cappelli, Harvard Business Review, May-June 2019

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Organisations who put in place strong referral schemes will be the winners in the ‘War for Talent’. Spending time researching market leading referral schemes and listening to what incentivises employees to refer someone into a company could have a significant impact on talent attraction.

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Demand is pushing salaries and supply challenges to unseen levels

The UK IT sector employs circa 3 million people (Tech Nation) and makes an estimated direct contribution to the UK economy of £101.8bn (Comptia).

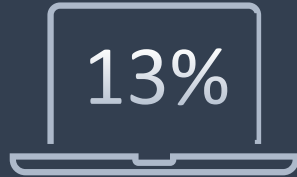



42%

The UK IT labour market has rebounded from COVID-19 with demand for tech jobs being 42% higher in June 2021 than it was at the same time in 2019. (Tech Nation).

Accenture's UK Tech Talent Tracker recorded over 93,000 tech jobs openings in July 2021, up from 85,000 in January.



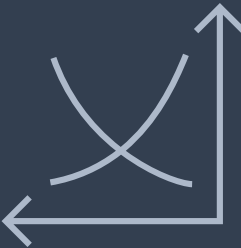

13%

According to data analysed by smarter job search engine Adzuna for the UK's Digital Economy Council and Tech Nation, IT-related vacancies now make up 13% of all UK job vacancies.

The resilience of the sector during COVID-19 demonstrates the importance of tech to the economic health of the country but also highlights the extent to which the digital tech sector is providing jobs at a critical time for the UK population.



Demand is pushing up salaries: the average tech salary is up to 50% higher than the average for all vacancies in the UK, and is increasing, whilst the average salary for all jobs in the UK has decreased in 2021 (Tech Nation).



Salaries for certain IT skills are at an all time high.



- COVID-19: Technology has been an enabler for individuals, companies and communities, it has facilitated new ways of working. Responses to COVID-19 have speeded up the adoption of digital technologies by 7 years, digital interactions with customers by 3 years, and funding in digital initiatives has increased more than anything else (McKinsey).
- Demand for skills in new and emerging technologies is driving growth in the UK IT labour market: AI, Blockchain, Data and Cloud. Software Developer is still the number one sought after role, accounting for 9% of all advertised tech jobs (Tech Nation).
- Venture Capital (VC) investment in the first half of 2021 exceeded any annual records to date with over \$18bn raised by pioneering tech firms (Tech Nation).

Salary Benchmarking

All technology disciplines at present are demonstrating salary inflation due to the demand versus supply issue and the growth of remote working, however two areas where this inflation is excessive is with Development and Cloud / Devops / DevSecOps.

There is an upward trajectory across most salaries and tech roles are accelerating faster than almost any other

In the Development space median salaries have increased from c£55,000 to upwards of £65,000 per annum although there are indications that the salaries are now starting to stabilise. There are specific pressures within certain technologies, including Java and C# skills where demand is unprecedented. Senior Java Developers can attract salaries of up to £100,000 which can place huge pressure on organisations financially, in particular start-ups with limited funding. In other technologies such as C#, salaries are still high with candidate expectations at £80-£85,000 but again, some companies are able to offer fully remote working with salaries in excess of £85,000.

In the Cloud / Devops / DevSecOps space the salary inflation is even more profound. Cloud / Devops / DevSecOps are a very niche area of the market and the availability of talent is considerably smaller than the development space. Candidates in this space are being offered salaries unlike anything we have seen before, with recent examples being of DevSecOps with 5 years experience being offered £95,000 salary and generous sign on bonus. The competition in this space is global, with international and UK companies competing for similar talent for remote roles.

Full salary benchmarking available on request

Six steps to maximise your talent attraction success

1. Offer Flexibility

Flexibility is becoming the most commonly asked initial question by candidates – can employers offer flexible working approaches that candidates are increasingly looking for? Various degrees of flexibility are being requested and also being offered by employers, from fully remote working, hybrid and output based working. The more flexibility, the more appealing they will become.

2. Smart Interview Process

A simple, effective and transparent screening and interview process is key in engaging talent. A two stage process works well, offering the opportunity for the candidate, with multiple opportunities, to understand about the company and role, and the employer to understand the applicants capabilities and motivations. For senior roles more stages would be expected. Technical testing can dissuade candidates from entering a process due time investment.

3. Fast Interview Timeframes

Interview timeframes are becoming more important, with a number of companies being able to conclude the interview process within a week or less. This can mean they capture talent early in their market engagement. Companies with an extended interview process can find themselves disadvantaged.

4. Detailed Clarity of Role and Expectations

Clear and in-depth information around the job remit and organisation is key in attracting the best talent. To increase chances of high impact:

- Provide an engaging job specification
- Relay clear and consistent messages at interview
- Provide clarity around expectations in the role

5. Sell the Opportunity

In a candidate driven market, selling the organisation and opportunity is equally as important as ensuring the candidate is right for the job. Companies with a strong Employer Value Proposition will benefit in its talent acquisition. Being able to communicate L&D opportunities, diversity of work and environment and recognition and reward for achievement can be hugely influential.

6. Competitive Salaries and Benefits

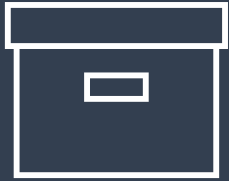
Salary inflation in the Technology market is at unprecedented levels and we may see this continue whilst demand is high and availability of talent is low. Candidates have various motivations for moving into a new role, but ensuring your base salaries are in line with the market is essential. Benefits still play a big part, so a competitive overall package is necessary to attract and retain the best talent.

4. Success in Talent Retention

It's time for all companies to reset their talent retention approaches.



It's time for organisations to examine their talent retention strategies



Are your employees your possessions? Do you use them? Do you control them?



These are interesting words that help to highlight the earlier hypothesis that the power balance has shifted. Employees now have the power and for companies that believe they still do, you are wrong.



It is far more beneficial to retain your talent as opposed to hiring new and given the macro economic factors at play today this has never been truer. The days of losing an engineer or project manager and simply advertising and hiring another for the same cost has gone forever.

The need to focus as much on retention as acquisition is vitally important.

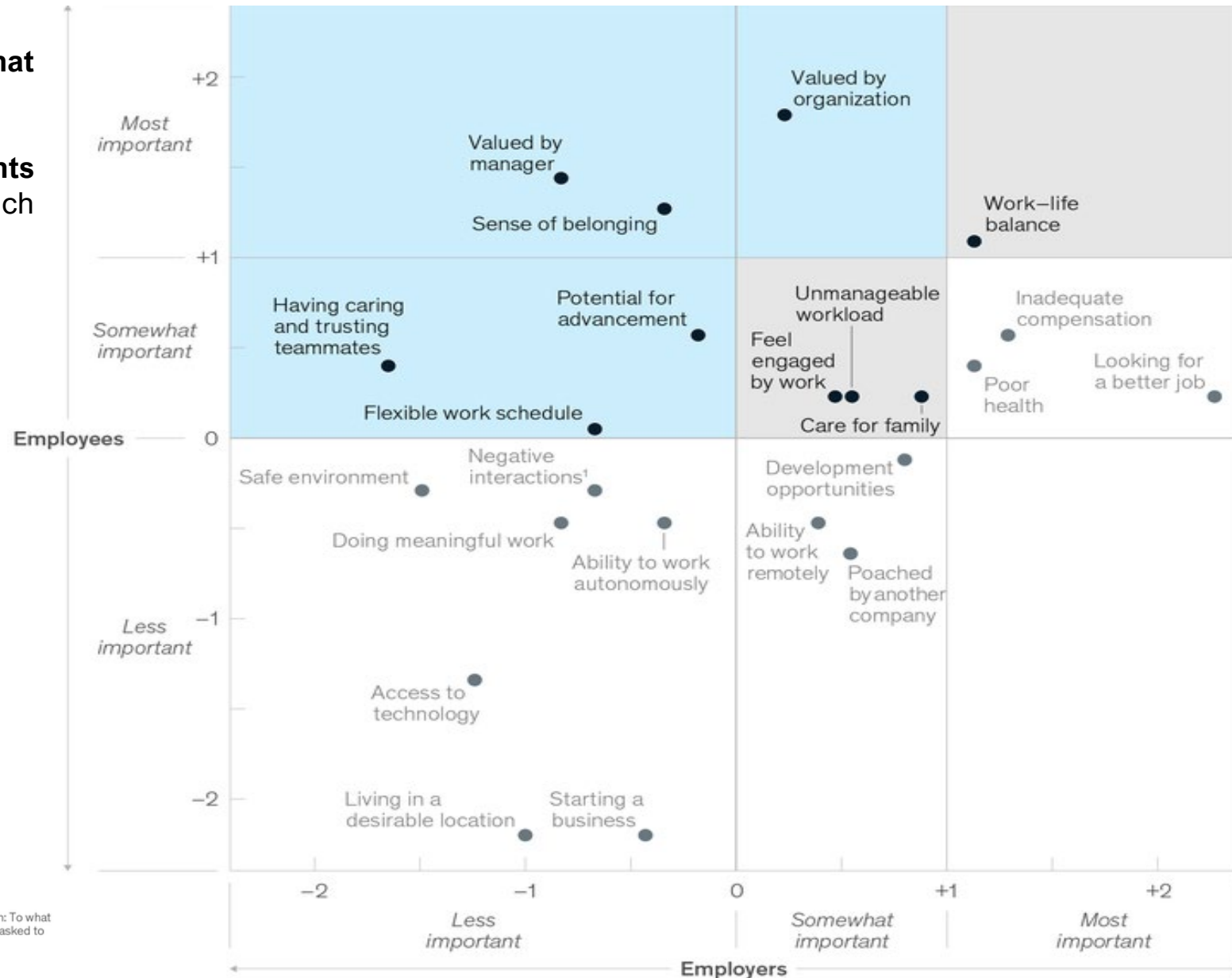
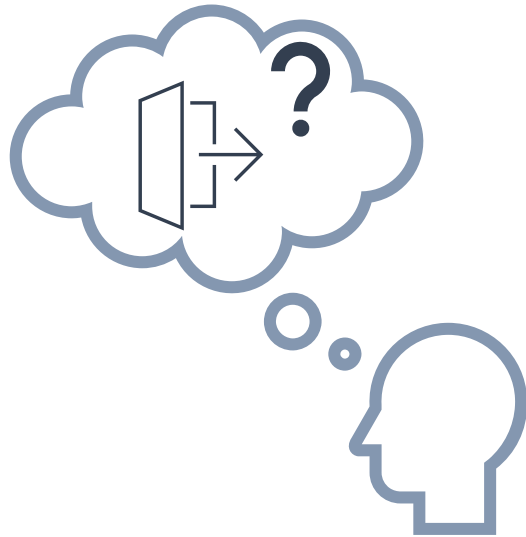
Employers need to understand why employees are leaving

Factors that are important to employees versus what employers think is important

Employers seem to overlook the relational elements that are key drivers for why employees are leaving, such as lack of belonging or feeling valued at work.

■ More important to employees than employers appreciate

■ As important to employees as employers think



Note: Standardized scores are reported for both employee and employer perspectives. Employees were asked to respond to the following question: To what extent did the following factors impact your decision to leave your last job? (Not at all, slightly, moderately, very much, extremely); employers were asked to respond to the following question: Why do you think employees are choosing to leave your organization now? (select all that apply)
¹Includes clients, customers, patients, and students.

Post-pandemic has seen an unprecedented uplift in talent moving

Whilst there is a strong human element to this, and businesses will expect to see a greater attrition rate than previously, there is no doubt that we can take action to stem the flow.



A new way of leadership and thinking will start to have an influence on staff retention. Those who are listening and adapting will start to emerge as the employers of the future. There are common themes we are seeing.



A commitment to long-term employee happiness over short-term productivity.



Short-term productivity concerns may obscure issues that affect long-term employee retention

Many businesses are finding themselves thinking exclusively about business. Long-term productivity is closely intertwined with job satisfaction. Employees are now much more in control of their own destinies, and companies that don't recognise this will lose out to other businesses that cater to them. Most leaders we surveyed do not have formalised remote work strategies.

On-the-job learning requires more planning for remote employees...

...and leaders aren't offering solutions. Executives need to offer more learning and development programs to fill in any knowledge gaps, yet many admit that they need improvement in this area. Engineers rank L&D as one of their top criteria for choosing a job, and companies that ignore employee development may lose out on talent. Executives can build successful remote L&D programs by establishing regular cadence career development check-ins, creating individual development plans, stating employees' learning goals and concrete actions to reach them.

Building a remote culture must be intentional

Companies with a clear mission and values have almost always excelled when it comes to motivating employees. Leaders will have to get creative in how they live their values from day to day in a hybrid working world. Companies that embrace ideas like "Zoom and Slack are the new office" should find that the change will come about more naturally. Companies that make remote culture intentional tend to do so by creating objectives and key result areas around culture and instilling accountability in leaders, or hiring a remote lead, to drive a thoughtful remote process.

From a recent Forbes article:

Gen Z is at risk and will need to be re-energized. Gen Z's, employees aged 18 - 25 reported that they were more likely to struggle balancing work with life (+8 percentage points) and to feel exhausted after a typical day of work (+8 percentage points), when compared to older generations. For Gen Z's, feeling a sense of purpose and connection is essential to feel satisfied at work, but remote work makes this more challenging, especially for those new to the workforce.

Start at the recruitment stage

Retention starts right from the beginning, from the application process to screening applicants to choosing who to interview. Look beyond what's written on the resume. Look for signs of loyalty, perseverance and engagement. Employees tend to stay longer at organisations where they are aligned with the values, vision, and mission, so identify them during the recruitment process

Provide ongoing learning and clear development routes

Promoting from within not only provides a clear path to greater compensation and responsibility, it also helps employees feel they're valued and a crucial part of the company's success. So employee development and education are essential.

Retain a flexible and hybrid working approach

From a recruitment and retention perspective, providing increased flexibility for work hours and location of work help to increase employee satisfaction, which leads to retention, along with increasing an employer's competitiveness and attraction to land top talent

Keep competitive with reward and compensation

Widescale remote work also means all employers are competing with everyone else, including the tech giants, so "salaries are adjusting to the highest bidders."

Eight Tips to Maximise Retention

Tailor offerings to meet differing needs

Recognise that people are multi-dimensional and we need to support the whole person, whether that's through flexibility, a wide range of benefits, financial stability, or meaningful projects to keep them engaged.

Engage and listen

Employment is a deep two way ongoing conversation. CIOs would do well to connect with their workers to update them on the organisation and its direction and get their feedback. Give them a voice. Use the power of the community.

Use Data and AI to understand trends

Looking more closely at the data can help uncover patterns, potentially contradicting conventional wisdom. AI and machine learning can help identify and address these issues before they lead to attrition and turnover.

Accept higher turnover

People are restless. Over 40% of people are said to be open to a move. Turnover is inevitable, so organisations must be prepared to lose top talent. Succession planning can be key — especially for high level or hard-to-hire positions. So too can maintaining a high profile.

GET IN TOUCH



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