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Good values go round the world

But some HR policies can get lost in translation **Pages 2-3**

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Common culture leaves room for local adaptations

Core values transcend borders but ideas can come from the regions, too, writes *Tim Smedley*

It has long been a mantra in the business world that international companies must "think global, act local". This suggests that operating as they do in a global marketplace they should respect local norms, values and expectations or face the consequences.

The same has applied to the management practices of top employers. International branches might have the same logo above the door, but what happens behind it – from pay and benefits to leadership styles and attitudes toward diversity – can vary widely from country to country. However, there are signs that organisations are rejecting such localised approaches and instead unifying their global operations under one banner of "the way we do things".

Simon Mitchell, European and multinational segment marketing director at talent consultancy DDI, says the best global employers "need a degree of commonality in leadership, on the understanding that a common culture is more useful".

He adds: "Managers and leaders are now heading teams of people with a wide breadth of experience, from a broad range of cultures, who are probably all at different points in their careers and lives. The best way to ensure organisations remain productive and effective is by setting some common standards of behaviour."

A Santander branch in New York – the bank is working on a global set of leadership principles Bloomberg

Santander, for example, has banking operations in more than 40 countries, with 182,000 employees based primarily in Europe and North and South America. Javier Bugallo, its head of HR corporate policies, says: "We are moving towards having more corporate policies and ensuring that the same experience is felt in all places.

"Some of the really recognisable values such as the focus on the client, or compliance and ethics – all these things have to be truly the same and cannot be changed. It is important that the employee experience, the employee value proposition, is similar . . . and harmonised."

While some scope remains for local differences, the idea is that a Santander manager can step into a branch in Argentina and feel a culture similar to that of the US or Portuguese offices. "Employee engagement in the past used to be something more local and it is becoming more international," says Mr Bugallo, who adds that the bank is working on a common global set of leadership principles.

HireRight, the global due diligence company, employs 1,500 staff across 11 countries in North America, Europe and Asia. Rebecca Mossman, its HR director for Emea and Asia Pacific, identifies "a trend for global companies to actively promote one unified and overarching culture in order to attract and retain the best talent from an increasingly international and mobile workforce . . . Globally, we aim for HireRight to have one unified culture so that we are all striving for the same ultimate goals."

Anecdotally, the culture of organisations tends to vary greatly within a single country. Trying to fit employees worldwide into one cultural straitjacket could seem detrimental. The new approach of some global employers, however, is to avoid imposing "group-wide rules" from a central headquarters. Modern best practice is instead to consider each local adaptation as a potential global policy.

Mr Mitchell explains: "Many multinational organisations increasingly identify and adopt new and innovative ways of working that are coming in at a regional or country-specific level, and bring this back to the corporate centre."

Whether that is an updated assessment process or a fresh performance management system, businesses have started to recognise that "not every great new idea comes from their head office", he says.

While some employment policies can transfer seamlessly across borders, others get lost in translation.

Of the ones that work, Chris Bones, professor of creativity & leadership at Manchester Business School, says: "High potential identification and development programmes originating in the US/UK are now a standard in every sector . . . Quality circles and self-managed teams from Japan are [now] pervasive in manufacturing operations all over the world.

"And it is more and more likely that you would see community service opportunities in major global organisations as part of their corporate responsibility programmes."

> 'The focus on the client, or compliance and ethics . . . have to be truly the same'

Of policies that do not travel so well outside their country of origin, Mr Mitchell suggests that "a leadership development programme might work brilliantly in one part of the world, where stepping up and taking responsibilities outside your immediate remit is encouraged and seen as a sign of strength. But how will this translate into parts of the world where deference and respect are more highly prized?"

Ms Mossman, says that making financial benefits standard across the globe "is costly and can make it difficult to attract talent".

The common features of great global employers therefore include "a culture that is authentic", says Prof Bones. "If they say they act with integrity then they need to demonstrate this in all respects in every operating unit. Employees are always the first to spot the inconsistencies."

If people from across an entire business are not involved in designing company-wide employment processes, then "they are unlikely to be willing or able to adopt them", argues Mr Mitchell.

The global talent consultancy Mercer, with more than 20,000 employees in 43 countries, sees consistency of communication with employees as a critical factor. "Employers need to leverage every possible point of engagement – social media, portals, webcasts, training, written materials – and give constant reinforcement," says Marcelo Modica, its chief people officer.

"For a cross-border policy to be introduced successfully, employers need full leadership commitment and a comprehensive communication plan."

The one thing top global employers do is maintain a consistency and quality of employee engagement. Drinks firm Diageo was recognised as the world's eighth best multinational workplace by the Great Place to Work institute in 2013. It even has a director of employee engagement, Clare Grundy, who explains: "When we hire people, in any market where we operate, we consider whether their style and approach will be a good fit with our values and with our existing employees."

An annual "values survey" – now in its 11th year – helps to understand how employees are feeling in every area of the business. "These results are then mapped against the organisation and reports are generated for every team", says Ms Grundy.

"For example, our Brazil sales team held focus groups of volunteers to discuss what should be done to address specific challenges. By involving every employee in the action plan, they created a campaign and nominated employee champions to engage their colleagues in deciding on the improvements to be made and holding the business to account to make sure they happened."

It is still a case of thinking global and acting local, then. But multinational employers increasingly see local and global as equal partners that influence each other. "We must ensure there is always a local element that is protected and helps make up the business goals," says Mr Bugallo at Santander.

"The corporate and local elements influence the policies, so it's not a matter of saying: 'This is the policy, it comes from HQ and there is no room for any deviation'. It works more or less as a balance between the corporate values and the local."

Europe Achieving harmony without imposing standards

Leading employers may be keen to have a common culture across their subsidiaries, but the focus is on harmonisation of HR policies and employee conditions rather than standardisation, says David Plink, chief executive of the Netherlands-based Top Employers Institute, writes **Andrew Baxter**.

"People want to be seen as individuals and as part of their own society," he says. "So you see lots of local initiatives. It is important to create an atmosphere where people know they are treated fairly, even though conditions vary. In this way employees will feel empowered."

Mr Plink's organisation, previously known as the CRF Institute, conducts an annual survey of HR best practice around the world. Full results of the latest survey will be available in May. Participation in the survey is the first part of a process that can lead to a company being certified as a Top Employer, and, as the institute puts it, "reap the associated employer brand reinforcement".

In a round table event at the Financial Times in London this month, the institute shared the results of its recent survey into the harmonisation of employee conditions across multisubsidiary companies in Europe. This involved 24 Top Employers from Europe, operating in between five and 22 countries, with an average of 8.4 subsidiaries per employer. This revealed some striking differences:

Primary benefits High degree of harmonisation on performance pay, low on share options; in between, with some or limited harmonisation: communication benefits, remuneration policy, retirement funds, pay rises and financial benefits.

Secondary benefits and working conditions Moderately to highly harmonised: recognition of high performers, employee communication channels; limited harmonisation: flexible working arrangements; low harmonisation: telecommuting, leave allowance and ability to choose benefits.

Training and development High harmonisation: competency definitions, executive staff development; moderate: continuous learning activities; some/limited harmonisation: accreditation of training partners, training days, coaching programme participation and management.

Career development High harmonisation: performance agreements, defined career paths and succession activities; some harmonisation: application procedures; limited/low: exit interviews. As Mr Plink notes, in some cultures people are reluctant to do exit interviews, but elsewhere they are keen.

Culture management High harmonisation: collecting employee feedback and acting on it, communication of the company mission and results; limited/low harmonisation: corporate and social responsibility and diversity initiatives.

Corporate HQs want to harmonise CSR and diversity programmes, but "local flavours" are still coming through, says Mr Plink.

David Plink: people want to be seen as individuals

Technology opens way to make best use of staff and build commitment

Flexible working Successful implementation can boost a company's bottom line, writes *Sharmila Devi*

Home comforts: flexible working is not just for mothers Bill Cheyrou/Alamy

Flexible working is a hot topic within many companies, with human resources specialists and employees demanding it but some employers finding it daunting to make such a big switch.

Businesses are showing growing enthusiasm for various types of agency, temporary, contract or contingent workers, and technology is an increasing enabler of new working arrangements. There is also a strong trend towards efforts to improve work-life balance.

But any company that is nonetheless resisting such change should remember their bottom line, says Nick Shaw of CEB, a corporate advisory and research company.

"You should bother because it makes a difference to company performance," he says.

CEB research has shown that offering flexible working increases an employee's commitment to their company regardless of whether they take advantage of the offer or not.

"Awareness of flexible working practices is as important as consumption of them," he says. "There's very little difference between the sexes and no significant differences across Europe. To be able to draw on the best talent effectively, you have to be more flexible or agile in the way you think about working."

Recruiting and managing a flexible workforce requires a plan and strategy that ensures managers are on board. "One of the most successful drivers of consumption of flexible working is manager adoption," says Mr Shaw.

"Connecting an individual with a manager who thinks about how it works for the employee makes a significant difference. Managers need to engage people to work together and conduct regular check-ins. For organisations, thinking about different options, engaging managers and making sure there is good communication are key points."

Those different options could include two people doing a job share, thinking about different ways to ride the peaks and troughs across a cycle of work, and considering where the work or employee is based. A pilot or trial run is essential to iron out wrinkles and to ensure feedback.

Recruiting for flexible roles also requires an assessment of the different characteristics needed, such as ability to connect and build relationships. It is also advisable for new employees to spend at least one month on-site to build up their network before assuming a more remote role.

More and more companies are looking for creative ways to manage flexible working and they are seeking advice, says Estelle James, director of recruiter Robert Half UK.

"It's one of the most talked about subjects among our clients and it will get more prominent. IT means it can happen, Generation Y expects it and surveys show that life balance can be more important than remuneration," she says.

She points to American Express, which assigns employees to one of four categories – Hub, Club, Roam and Home. Hub entails a fixed role in an office. Club means flexible roles divided between the office and other locations. Home is as it suggests – working three or more days a week from home. Roam means almost always on the road at different offices or with clients.

> 'We want to double our workforce but we don't want real estate costs to double'

"This is probably the way forward for most companies," says Ms James. "But you have to put in active strategies for managing this. Amex will have team days and events so there is more cohesion."

Flexible working might not be for everyone. Older people more used to being at their desk, for example, might resist change but companies will have to offer some form of it or risk being "left behind", she says.

Alan Leaman, chief executive of the UK's Management Consultancies Association, says most resistance to flexible working would be cultural. "Some people will say 'I never had it on the way up and I'm sure clients don't like it' so organisations will need to tease out these problems with debate and discussion," he says. "Some people might feel they're letting down colleagues so people need to feel they've got permission for flexible working."

But with clients caring more about outcomes than "time and materials", a more collaborative and less hierarchical style of leadership becomes imperative.

When it comes to agency and contract workers, employers also have to navigate a far from easy maze of regulation, says James Cox, head of the London employment practice at global law firm Gibson, Dunn & Crutcher.

"Agency workers are subject to a high degree of regulation and can be entitled to the same pay and conditions as other full-time staff and this can be a headache for employers," he says. "These blurred lines can discourage companies from using agency workers and others on a short-term basis."

The law is still developing and has yet to catch up with new developments, such as zero-hours contracts that do not guarantee regular work for employees, he says.

The best people have choices so the best companies will do all they can to get them, says Mike Cullen, global managing partner for talent at EY, the professional services firm.

The company has consciously moved towards an "output-focused, trust-based environment", he says.

"A significant proportion of our people are not on-site and we don't know where they are and we've always had technology underpinning this. Looking to the future, we want to double our workforce but we don't want the fixed cost of real estate to double as well."

Flexible working is an "incredibly useful tool to help people remain engaged and achieve a work-life balance", says Laura Sherbin, executive vice-president and director of research at the Center for Talent Innovation in the US.

She emphasises that flexible working should not be seen as just for working mothers. "Our research has found that many senior working women over 40 are not parents. They might want to work flexibly to train for a marathon or to travel," she says. "If flexible working is seen as only accommodating working mums, this can put a stigma around it."

Case study Accenture executive attributes success to setting outcomes

Fiona Gibson is a managing director and sits on the UK board of Accenture, the professional services firm. She was one of the first senior managers to embrace flexible working, having switched to working three days a week in 1999.

She now works four days a week, allowing her to live in the northwest of England and do charity work while many clients are in the south.

Ms Gibson says the key to successful flexible working is setting outcomes and having the courage to ask for it from managers and clients.

"It's about really understanding the goals and parameters. I sat down with my boss and we agreed what our expectations would be in terms of the key priorities for that year and how to measure results," she says.

"With clients, nine out of 10 accept it because of the results. I continue to have strong outcomes because I deliver. You need to believe in your own value and it's about the art of the possible."

She gives the example of a two-year project involving her leadership of a team of around 25 people for a client based in south Wales. Following discussions with the client, it was decided that, for a short period, she would spend three days working on-site and two days working from home.

"I had to have the courage to ask the client, who was very happy and it was a successful project," she says. "As the project neared completion, we agreed the dynamics needed 24/7 attention and we managed this flexibly. Everyone was happy because everyone knew the two-year target."

Flexible working is not driven by any particular sector but rather leadership and mindset, she believes.

"There is a growing trend of senior executives doing flexible working while young people also have different values and want to do things differently."

Now, some 60 per cent of Accenture's employees do some form of flexible working, she says.

"Compared to 15 years ago, there's been a real mind-shift."

Sharmila Devi

Fiona Gibson: 'It's about really understanding the goals and parameters'

Going beyond the bare minimum is vital to boosting staff engagement

Pensions Some employers are waking up to the benefits of bigger contributions, reports *Ian Smith*

Employers worldwide face a conundrum when it comes to retirement benefits: the more that governments compel organisations to do, in terms of compliance and contributions, the less pensions are viewed as a potential point of differentiation to attract and keep top employees, pensions experts say.

In his 2007 budget speech outlining enhancements to New Zealand's KiwiSaver retirement savings scheme, then minister of finance Sir Michael Cullen announced: "There is no doubt that employer contributions will create a greater sense of employee loyalty."

In hindsight, this was an "odd contention" given the employer's contribution was mandatory, notes a report last month from the University of Auckland Business School's Retirement Policy and Research Centre.

The country's system of soft compulsion – where workers are automatically enrolled into a pension but have the opportunity to opt out – was a key influence behind a similar scheme being set up in the UK.

And there may be a lesson for policy makers on the other side of the world that seven years in, employers have not been galvanised to go beyond their statutory obligations.

Susan St John, co-director at the research centre, says: "It is fair to say that most New Zealand employers have not yet thought much about how KiwiSaver can be leveraged for employment advantage when the same employer contributions are paid regardless of who is the employer. Mostly employers see KiwiSaver as a compliance cost."

The set-up of the scheme – which continues to establish itself and so encourage the demise of traditional defined benefit (DB) and defined contribution (DC) pensions in the country – has restricted potential for differentiation.

"While in the past DB and DC schemes could be manipulated with vesting and portability rules to achieve retention objectives, modern employers have to be more innovative," Ms St John says.

"Nevertheless, in areas of emerging skill shortages there may be scope for making staged additional contributions to KiwiSaver as part of a retention and recruitment package," she adds.

A similar dynamic exists in Australia, where the system of large superannuation schemes, or "supers", is often held as a model retirement savings system that is affordable for employers and efficient for savers.

"Some employers see their employer contributions into 'super' as a tax, hence depleting the retention argument," argues David Harris, managing director at Tor Financial Consulting, which advises globally on pensions policy. "Employers are all paying the same levels for talent."

At the same time, some employers are waking up to the retention power of higher contributions, as part of a wider suite of benefits.

"As seen in the mining and at one time the airline sector, to retain engineers or pilots you may need to pay above the legal minimums," says Mr Harris. "Other retention mechanisms employed in Australia have centred on support for private healthcare, childcare support and car leasing."

One of the crucial and sometimes overlooked utilities of a good pension scheme, aside from attraction and retention, is to help organisations to manage their workforce, by getting longer-serving employees out into a comfortable retirement.

This is coming to the fore in the US with the increasing use of 401(k) saving plans, a DC-type pension scheme where tax charges are deferred until retirement.

"It is one thing to attract and retain the right talent through the 401(k), but it is another to ensure that when that talent is ready to retire, they can do so, making way for new talent in the workforce," says Lori Lucas, executive vice-president at consultancy Callan Associates.

"Securing retirement income adequacy and therefore facilitating workforce transitions increasingly has become the job of 401(k) plans."

In a 2013 survey of more than 400 US employers, which focused on defined contributions, consultancy Aon Hewitt found that attraction and retention was the fourth most important measure of success in how managers evaluated their pension scheme, with 12 per cent of respondents putting it as number one of their top three picks.

More important to US managers was that the workplace scheme provided an adequate retirement income (18 per cent put this as a top-ranking factor), that it had a high participation rate and that investments performed adequately.

Employee apathy is seen as a key hurdle to get over, with more US organisations using automatic mechanisms to get employees saving. "Plan sponsors are naturally very focused on ensuring high participation in their 401(k) plans," says Ms Lucas.

"However, with the availability of automatic enrolment, which is offered in 58 per cent of US plans, it is far easier to drive high levels of participation in 401(k) plans than ever before."

Whether auto-enrolment is offered by the employer out of goodwill or statutory obligation, retirement adequacy is the ultimate test of the scheme.

More than half of US organisations (53 per cent) in the survey used automatic escalation of contributions, up from 35 per cent five years before. Still more are planning to put it in place.

For pensions to be valued by employees, employers are realising they need to go above the bare minimum, and take their staff with them.

Sorry you're leaving: adequate retirement income is the ultimate test of a workplace scheme

Blend Images/Alamy

The right package 'will bring benefits'

UK

But only one in three job hunters asks about their pension, writes *Ian Smith*

Happy days: people near retirement are more curious about pensions Brett Critchley/Dreamstime

The historic pension reform announced in last week's Budget gave savers great power and responsibility over how they manage their retirement income, but its implications for the attraction and retention power of pensions for UK businesses are much less clear.

The reform will abolish the requirement to buy an annuity and make it much more attractive than before to take money as a lump sum, or draw down from it, at retirement.

Its success will rely on whether people take up the new flexibilities and impartial guidance offered to them, in a market where savers are overwhelmingly apathetic until they reach retirement age.

From the employer's standpoint, the focus is still on the last historic reform, which gave all eligible workers the right to a workplace pension scheme.

This has meant that simply offering a pension to workers in the UK no longer differentiates one employer as more benevolent than any other.

Only one in three job hunters ask companies they are applying to about their pension provision, according to a survey with 2,000 respondents conducted last year by Censuswide for pension provider Now Pensions.

Unsurprisingly, those closest to retirement were the most engaged, with 42 per cent of those aged over 55 proactively asking employers about the benefits on offer.

But for those organisations looking to differentiate themselves, employees are most concerned about the contributions on offer, with 61 per cent putting high employer contributions in the top five quality features of a good workplace scheme. This was followed by certainty in retirement (41 per cent) and good governance (38 per cent).

Employer representatives feel there is still value for employers going above the minimum or thinking more deeply about their benefit structures.

"If you get the package right, the benefits will flow back to the company from that, in terms of recruitment and retention," says Neil Carberry, director for education and skills at the CBI.

But crucially, experts agree pensions will survive only as part of the wider benefits package, and tailored to the individual needs of employees.

A 20-something with a student loan to repay and aspirations to get on the housing ladder has different needs to a 30-something focused on childcare or flexible working, as has someone much closer to retirement.

"Pensions is just one arrow in the quiver of the HR director when it comes to reward packages," says Andy Cheseldine, partner at consultancy LCP.

An employer offering a flexible benefits scheme may choose to reward staff with the option of boosting their pension or salary, or a choice of how to split the sum.

'Pensions is just one arrow in the HR director's quiver when it comes to reward packages'

"Which would you take?" asks Mr Cheseldine. "There's an almost infinite number of answers depending on how many people you ask, because circumstances differ."

Meanwhile, workplace reform is confirming what many employers already knew: when it comes to pensions, employees are overwhelmingly passive.

Indeed, it was exactly this passivity that the UK government has sought to harness through auto-enrolment, which gave employers a legal obligation to enrol eligible staff into a workplace pension scheme.

As workers had the right to opt out of these schemes, the reform is relying largely on their inertia – in addition to communication – to keep them saving.

Initial indications are that this central aim is working. Government figures for the largest companies showed on average just 9 per cent of those automatically enrolled deciding to leave the scheme in the first few months of membership. This was well below previously predicted opt-out rates of as much as 30 per cent.

But employers have not reported an upsurge in active interest in pensions, as demonstrated in case studies reported by Financial Times service Pensions Expert.

Charity RSPB reported a "mixed response" from staff since it enrolled them in November. Facilities provider OCS Group saw few employees calling the helpline it had set up to deal with expected calls last year. Jane Drysdale, HR director, told January's CBI Pensions Conference that it was concerned about the level of engagement.

The attention of the HR and payroll industries has initially been focused on complying with the auto-enrolment legislation, but more attention is now turning to how these schemes are set up to the benefit of members.

"Once employers have got auto-enrolment pegged . . . what they will look at is getting a return for that investment, and that hinges on getting those employees engaged and recognising the fact that they are making contributions for them," says Laith Khalaf, head of corporate research at investment provider Hargreaves Lansdown.

Ultimately, a quality scheme is worth having in terms of staff retention and employee goodwill only if staff are aware of it. The buzzword is engagement.

Otherwise, employers risk creating a workforce of "pension zombies", Mr Khalaf warns: "Those people are just going to fall off the savings wagon at the first bump in the road."

Politicians' piggy bank Top executives put off by cuts in savings allowances

The tax advantages of pension savings, despite being watered down over the past few years with reductions to lifetime and annual allowances, mean they are still viewed as an important tool by employees.

"When you look across the workforce in terms of benefits and how employees view them, pensions is always there or thereabouts, it's one of the top three," says Laith Khalaf of Hargreaves Lansdown.

But when it comes to the top earners, the value of this benefit for staff retention has been harmed by the fact that pensions tax relief has become the favoured piggy bank to raid for politicians.

This seems unlikely to abate following the election due next year. Labour's jobs guarantee scheme is the latest party policy to fund itself by reducing the value of pensions for the wealthy.

Alongside another tax or bankers' bonuses, the party is planning to reduce the rate of pensions tax relief for those earning more than £150,000 to 20 per cent, the same rate as basic rate taxpayers.

Industry research shows changes already made to reduce the total allowances for tax-privileged pension savings have already pushed executives away from pensions.

Consultancy LCP's 2013 Executive Pensions Survey found more than half of executives affected by the 2011 changes have since left their pension scheme or restructured their benefit packages to reduce this impact.

"Many executives with [defined benefit entitlements] have withdrawn from their DB scheme entirely and others, earning DC benefits, have started taking some or all of their benefits as cash in lieu of pension saving," the report found.

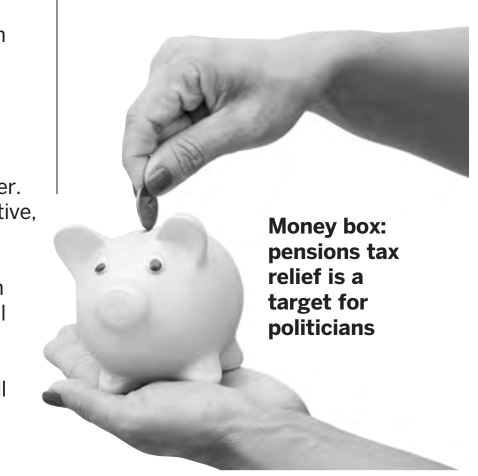
For much of the rest of the workforce, the defined contribution pension scheme has become the chosen vehicle for employers to deliver retirement benefits.

The research demonstrates the more money shovelled into these schemes, and the earlier, the better. But, from the employee's perspective, it may not seem that way.

Will staff look more kindly on a scheme that seeks no contribution from them, but has a lower overall annual saving, or one that asks them for a significant contribution as part of a more generous overall package?

"Different people will give you different answers on that," says Andy Cheseldine at LCP.

Ian Smith



Money box: pensions tax relief is a target for politicians

Applicants need careful handling in Twitter era

Recruiting Candidates can hit back if treated badly, says *Sharmila Devi*

Question time: rejected candidates outnumber those who get a job and their view of the company can change if things go wrong

Gregg Vignal/Alamy

The rising fear of a bad Twitter or Facebook review is prompting companies to treat their job applicants as well as they do their customers.

Increasing numbers of companies are extending to their job candidates image and brand protection strategies that already cover their consumers.

Neil Griffiths, a senior executive at Futurestep, the recruiter, believes that the saying "what happens in the recruitment process, stays in the recruitment process" no longer holds true.

"I've talked with clients about this for quite a while and they all want a positive recruitment process because if it's negative, people will talk about it online," he says.

He points to a US survey by CareerBuilder, the online job site, that showed about 78 per cent of respondents said a bad experience with a potential employer would prompt them to talk about it with friends and family; 17 per cent said they would post a comment on social media and 6 per cent said they would blog about it.

"A dialogue might happen anyway on social media so companies should not just let it happen," says Mr Griffiths.

Richard Mosley, global senior vice-president at People in Business, the employer brand consulting company, says that sending job candidates mixed signals can be damaging. Service companies that stress certain characteristics to their customers, in particular, need to ensure these also hold true for job candidates.

Some companies say they are warm and responsive while others claim attention to detail or say they are quick to respond. But if they ignore candidates, get their names wrong, or wait weeks to get back to them, their image will suffer, says Mr Mosley.

James Martin, who leads the London-based human resources practice at Egon Zehnder, the executive search firm, says companies need to remember that rejected candidates outnumber those who get a job and that their interaction with the company can be influenced by everything from the most trivial details to more substantial problems.

The trivial can include whether the meeting room is clean and quiet, or how the receptionist greets people. More weighty issues include whether the interviewers have the right training and experience.

"Sometimes candidates tell me their experience was awful, but that's extreme. More typical is when they say they wondered if the interviewer had other things on their mind and [that] they got the signal there was something else more important at the time," he says.

Senior executives need to realise they have to "sell" a position to the candidate, says Chloe Watts, head of the human resources practice at Alium Partners, the interim management provider.

She recalls a client that had a shortlist of three candidates, but found that by the time it got around to inviting them to interview, two had already found other roles.

"Both candidates and clients are selling. But clients don't necessarily appreciate that it works both ways," she says.

> 'Both candidates and clients are selling. But clients don't necessarily appreciate that it works both ways'

The balance of power is shifting back towards the candidates, she says, warning that the good ones will vote with their feet.

"Discourteous behaviour will not stand. Clients are realising it's an issue but they need to go beyond this and invest the time," she says.

Ken Lahti, a vice-president at CEB, a member-based advisory company, warns that companies are relying too heavily on automation as they scale back on human resources staff.

"Without enough of a human touch, companies can frustrate people, affect their brand and create an impact on their revenues," he says. "The number one thing companies get wrong is not enough communication with candidates."

There is a potential extra bonus to getting the dialogue with job candidates right even when it does not result in an appointment, says Mr Griffiths of Futurestep.

"Too often organisations invite people's CVs but once they're in and these people don't get a role, they're forgotten," he says, suggesting that companies instead use the new relationship to stay in touch with unsuccessful candidates through marketing efforts, such as sending out samples.

It is a way not only to avoid a negative Facebook or Twitter review about the candidate's job interview experience, but also to turn that applicant into the company's newest customer.

War for talent Money is not everything as big brands rely on their reputations

Flexibility, social responsibility, and brand reputation are crucial to attracting the best job candidates, making it more difficult for small companies to compete in the war for talent, say recruitment experts.

"It's not necessarily money," says Dina Pyron, global human capital leader at Ernst & Young, the professional services firm.

Estelle James, director at recruiter Robert Half in the UK, says big companies, such as Google or Apple, can rely more easily on their well-known brands, but smaller companies need to try much harder.

"With the good companies, candidates approach us because they've heard they're really great places to work," she says, adding: "The next two or three years are going to get harder for companies and the best ones are already thinking about how to compete."

Some companies are taking a hard look at how they are perceived from the outside and whether that perception aligns with how they see themselves. Doing this improves the chance that successful candidates accept their job offers and become valuable contributors to the company.

Neil Griffiths, global leader for recruiter Futurestep's talent communications and employment branding practice, says a company should be "very clear about what it stands for and what innovations it has."

Often, especially in retail, a company's brand will be the same for employees as it is for consumers.

But in some cases a company's employee brand differs from its consumer brand, says Richard Mosley of People in Business, the employer brand consulting company. He says some companies still have "a long way to go" in understanding the divergence.

"The distinction wasn't all that well understood until recently but it still varies hugely how companies manage their employee value proposition," he says. "Companies need to consider all the touch points [interactions] just as they would for a customer or consumer," he adds.

Technology can help, allowing companies to use photos, audio, video and animation to give potential employees a sense of what it would be like to work for them.

This enables candidates to decide to withdraw. "It might seem counter-intuitive but it's the quality, not quantity of candidates that is important," says Ken Lahti, vice-president at CEB, an advisory company.

"Having people remove themselves can be very effective as it allows candidates to retain their dignity and gives them a more positive reaction to their experience of the company," he says, noting this helps the company avoid losing the candidate as a customer.

> If a company has a good image, it is likelier that candidates will accept job offers

Many people still think money matters most to job applicants. But a US survey by CareerBuilder, the jobs website, suggests otherwise.

It found location to be the primary reason candidates submit an application, followed by the desirability of the industry and then the reputation of the company. Competitive compensation ranked sixth.

The rankings suggest that projecting the right image is not only important for attracting consumers, but also for getting desirable job candidates to apply for a job and then to accept the offer.

Sharmila Devi

Mixed messages can damage perceptions Richard Baker/Alamy

Lesson for businesses on training needs

Skills

Companies want more control over what is being taught, reports *Ian Wylie*

Most employees view training and development as an opportunity to advance their career. It can be the deal-clincher when choosing to move jobs or stay put.

But research to be published next month will show a significant rise in the number of employers trying to ensure that the learning and development opportunities they offer staff are tied more closely to business objectives.

The proportion of UK organisations that say they now assess and decide their learning and development activities according to business metrics, such as return on investment, has almost doubled to 56 per cent in the last year, according to the Learning and Development Survey carried out by CIPD, the UK-based professional body for human resources and people development, and Cornerstone OnDemand, the talent management software company.

"In some organisations, learning and development can be siloed, but we're seeing its greater integration within business functions to ensures the skills being learned are the right ones," says Ruth Stuart, research adviser at CIPD, which warned in separate research last month that almost a third of British employees are overqualified for their jobs.

The number of UK 16-24 year olds in full-time education has more than doubled since 1984, yet employers continue to lament the quality and suitability of candidates when recruiting.

Not surprisingly, then, the latest workplace learning initiatives suggest a trend among employers to gain greater control of what their employees are being taught and deliver more training internally.

Supermarket giant Asda, for example, has launched its own three-year degree course in distribution and retail in partnership with Middlesex University.

Rival Morrison has a foundation degree in supermarket operations which it runs with Hull University Business School.

McDonald's restaurant managers can study a foundation degree in managing business operations, certified by Manchester Metropolitan University. And John Lewis and Waitrose partners are being offered the chance to study for degrees under a work-based scheme dubbed the "University of John Lewis".

In the public sector, the National Health Service is working with Unionlearn, the learning and skills organisation of the TUC, to increase workplace learning after a survey carried out by Skills for Health found that NHS employees in the four lowest grade jobs deliver 80 per cent of patient contact but receive only 4 per cent of the training budget.

> 'It's important our people understand how everything connects, so they can build their career paths'

But even at the higher, C-suite level, there are moves within organisations to cut back on the number of executives released for MBA programmes that are expensive in terms of both time and money.

Richard Lyons, dean of the University of California Berkeley's Haas School of Business, forecast recently that half of US business schools could be out of business in 10 years' time, as more executives choose online MBAs or take executive education course via Moocs (massive open online courses).

Yum, the operator of fast-food chains KFC and Pizza Hut, runs its own "Yum University UK" which comprises five "faculties": culture, personal effectiveness and life skills, functional, world class operations, and leadership.

Louise Norris, Yum's resourcing leader, says it works hard to align employees' career objectives with those of the company.

"It's important that our people understand how everything connects, so they can build their career paths," she says.

"At the career management workshop, for example, we provide our people with the tools and platform to enable them to step-change how they manage their own career. The foundation of this training is building self-awareness, which is at the heart of career development."

Learning process: internal training at Waitrose

Next month's CIPD/Cornerstone survey of 1,034 employers will also reveal a big rise in the number of organisations using coaching. Three-quarters of organisations say they now use coaching and a further 12 per cent are planning to introduce it in the next 12 months.

CIPD's Ms Stuart says: "We're finding that most organisations and employees say coaching by line managers is the most common and effective method, so again we're seeing employers building their in-house learning and development capability."

She adds: "Most employers will continue to offer a range of internal and external approaches to employees, depending on their specific needs. But we're seeing priority being placed on internal development."

Health benefits trump cheap yoga

Office perks Creative freebies can only go so far in attracting talent, writes *Maxine Boersma*

Despite the popularity of flexible working, big companies are still striving to make the office convenient and vibrant. In the City of London, for example, office services are becoming more diverse, with everything from dentistry to music lessons, massage and exclusive shopping on offer.

"A trend we have seen in recent years is workplaces adopting some of the characteristics and amenities of the home," says Richard Kauntze, chief executive of the British Council for Offices, which facilitates discussion about office sector best practices.

"With employees working increasingly irregular hours, people want to be able to do everything they do from home, or in their spare time, easily from work. This means that services such as hairdressers, dry cleaners, plus areas that people can go to be entertained and relax, need to be near the workplace."

He adds that the council is also seeing companies introducing features specifically to attract workers into the workplace, with some describing the services they offer as similar to a hotel. "For example, instead of booking a bed, people can book desks through hotel-style systems," he says.

Stuart Melrose, director for London offices at commercial real estate firm Colliers International, says employers now need people in the office to ensure more collaborative working. But this is coupled with the increased cost of office space in the City.

"As employees have less space due to their employers moving to a more efficient space model, they are compensated with more office services and interesting communal space," he explains. "It is obviously less expensive to provide concierge services than more working space."

Another factor is the existence of the benchmark going rate for FTSE chief executive salaries, according to Virginia Eastman of executive search firm Saxton Bampfylde. Employers are unwilling to offer more financially so they find other ways of boosting the overall package. She recalls one example of a firm even engaging Middle Eastern royalty to ensure a child went to the leading international school when a senior executive relocated to the region.

"Many blue-chip companies try to make the building as comfortable as possible so people find it easier to stay longer – especially US firms," she says. "This includes providing sumptuous dining areas at the front of the building so people don't even have to eat anywhere else."

Add-on services can be wide-ranging. Goldman Sachs has an on-site childcare centre that provides back-up and permanent places, as well as a large in-house gym. Deloitte, the professional services firm, offers sports therapy as well as banking services.

In a sector renowned for long hours, legal firm Baker & McKenzie is able to offer: dry cleaning; subsidised in-house yoga classes and GP visits on-site.

But do employees actually want such services at work?

"What candidates really care about is the base salary and the bonus. Having free dentistry may impress friends but it is unlikely to attract candidates," says Ms Eastman.

"Ultimately, benefits just tell you more about the overall culture of the company and it is this that will attract or turn off candidates."

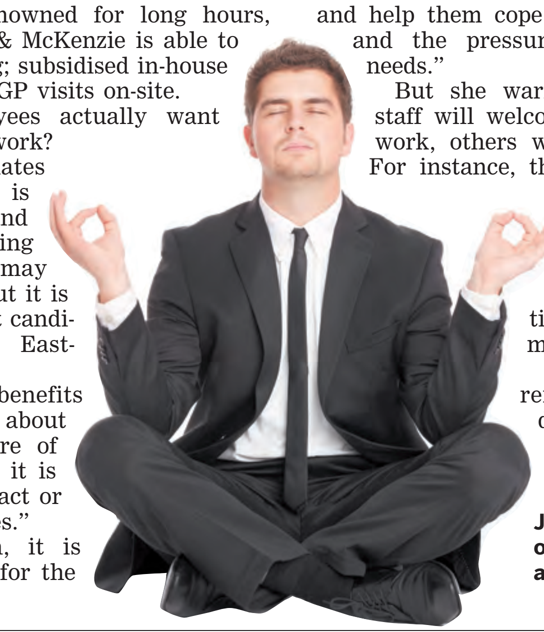
In her opinion, it is health insurance for the employee and their family, relocation services and school fee costs that "can still be deal breakers".

At Cranfield University's School of Management, Clare Kelliher, professor of work and organisation, says there is still an element of prestige in providing an array of concierge services in some sectors.

"The employer is showing they appreciate that they are demanding of employees and want to both reward their commitment and help them cope with high workloads and the pressure of meeting client needs."

But she warns that while "some staff will welcome such provision at work, others will be more guarded. For instance, they may not want to link their dental or medical needs to their workplace. They may also want to retain ties to their own community.

"Employers should remember 'one size doesn't fit all'. Diverse workforces may have very different needs."


Just relax: yoga may be on offer but base salary and bonus counts more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