

Employment

Global Best Practice

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Illustration: Mario Wagner

Happy workers do the job

Employee satisfaction has a positive impact on productivity, but how to achieve it? *Page 2*

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Management Teamwork and collaboration are consistently linked to increases in innovation, writes *Tim Smedley*

Happy workplaces are the building blocks of success

Companies with a reputation for strong employee engagement and creating a happy workplace generate good publicity and cachet for their chief executives. But these companies are finding that what makes a great employer can also lead to business success.

In fact, the link between employee attitudes and business performance has been known for decades. A series of influential experiments from the 1930s, known as the Hawthorne studies, showed the impact of improved workplace environments on overall factory outputs. One finding was that reducing the working day by half an hour saw productivity improve.

Later, James Worthy, a sociologist-turned-executive, wrote in 1950 of increased autonomy for employees leading to improved morale and productivity.

While some have argued that successful companies make employees happy, not the other way round, academic studies have steadily discredited this view.

One of the most comprehensive studies on the topic is Gallup's 2012 research of 192 organisations in 49 industries and 34 countries, covering 50,000 business units and 1.4m employees. It found that business divisions scoring in the top half of reported employee engagement had nearly double the performance outcomes compared with those in the bottom half.

The authors concluded: "Financial performance is best viewed as a downstream outcome . . . Employees with positive attitudes toward their workplace are likely to carry those attitudes over to customers and to engage in the discretionary effort it takes to serve . . . at a high level."

Yves Morieux, director of the Boston Consulting Group's Institute for Organization, believes the debate is now over. "Happy employees create high-performing organisations . . . because there are more opportunities to satisfy their aspirations, job security, chance of promotion, career development [and] wages," he says. "That is obvious . . . if

the company is very productive but does not maintain satisfaction at work then in a few years performance will drop."

But many employers have yet to cotton on. Employee engagement and happiness at work is in decline. Separate studies by the Conference Board, Gallup and Quantum Workplace found that employee engagement has been falling for the past decade or more. Mr Morieux attributes this to a "proliferation of cumbersome processes, systems, scorecards, metrics, meetings — what I call 'complicatedness'. People spend between 40 per cent and 60 per cent of their time wasting their time, working on less and less value-added activity."

By contrast, best practice employers are "turning the engagement process into a lot more than an annual event," says Jim Harter, Gallup's chief scientist for workplace management and wellbeing. "They embed it in how people think about their day-to-day work . . . education and training, development that focuses on the natural talents and



Empowerment: chief executive Jorgen Vig Knudstorp sees employee engagement as vital to Lego's success

Martin Dam Kristensen/epa/Corbis

strengths in the team. Helping people feel like they are the future of the organisation and helping them do what they do best."

Teamwork and collaboration are consistently linked to increases in innovation and discretionary effort, shaping how some companies now think about reward packages. "You must be very careful with reward and bonuses," says Mr Morieux, "because if the bonus is very significant then your goal becomes to earn the bonus. And then you will do everything you can to earn the bonus, including hiding, exaggerating and why not cheating? These strong incentives are counterproductive if you want people to co-operate."

Netflix, the digital broadcaster, pays only salary and not bonuses. It allows staff to choose their working hours.

A seemingly dull set of 124 PowerPoint slides outlining Netflix's employment culture has become a surprise viral hit, now viewed close to 14m times.

Mr Morieux believes the Netflix

If the bonus is very significant then your goal becomes to earn the bonus

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Workplace volunteering makes sound business sense

Philanthropy

There is more to charitable efforts than serving in soup kitchens, writes *Sarah Murray*

A "sense of meaning" was among the top factors that respondents to the 2016 Deloitte Millennial Survey said they used when assessing job opportunities, excluding salary. With only 16 per cent of respondents intending to be still with their current employer in 10 years' time, companies hoping to retain talented workers are searching for ways to meet this aspiration.

Those born between 1981 and 1997, known as millennials, make more than a third of the US workforce, according to the Pew Research Center. Companies around the world are looking for ways to attract and retain them.

Some interpret younger workers' response to this and other surveys as a youthful desire to change the world that will fade with age and experience. Since recession and rising property prices have put wealth and asset accumulation out of reach for many in this generation, pursuing meaning may have become the necessary alternative.

But Gib Bulloch, who until recently headed Accenture Development Partnerships (ADP), a non-profit arm of the global consultancy, has noticed a more fundamental shift in the workplace. "There's a change in the zeitgeist," he says.

The ADP programme allows executives to work overseas, mainly in developing countries, on consulting projects that help charities increase their efficiency.

Executives take a pay cut of up to 50% of their salary, which is paid by Accenture, while charities pay ADP a fee that goes towards this cost.

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When Mr Bulloch and his team were developing the programme, their research showed that it was the most talented executives who were interested in it.

Mr Bulloch is not alone in believing the desire for a sense of purpose motivates both younger and more senior employees. "I do think it is longer lasting," says Nancy McGaw, deputy director of the Aspen Institute's Business and Society Programme. "The millennials have given some language to it, but we've all wanted meaning in our work."

Jenny Lawson agrees. "Millennials are just demanding the kind of workplace we wanted all along but didn't feel empowered enough to ask for," says Ms Lawson, who is executive director of the Corporate Institute at Points of Light, which helps companies develop employee volunteering programmes.

Ms McGaw has seen this motivation at work in the Aspen Institute's First Movers Fellowship programme, which she founded in 2009. The programme helps executives find the support and networks they need to implement ideas that promote social or environmental sustainability in their companies.

She argues that encouraging employees to pursue these projects

Nancy McGaw: Millennials have given some language to it, but we've all wanted meaning in our work



helps companies attract and retain the most talented employees, which ultimately benefits the business. "There's an emerging understanding of the relationship between engagement and purpose and profitability," she says.

But if giving employees a sense of purpose is good for business, what does this mean for companies in

practical terms? An inspiring mission statement is no longer enough.

One way of engaging employees is to offer them opportunities to volunteer while at work. And rather than sending staff out to paint a school or serve in a soup kitchen, this increasingly means allowing executives to use their skills to help non-profits or community organisations.

Ms Lawson advises companies to involve staff from the earliest stages of a volunteering initiative.

"A top-down directive isn't the most effective way to engage them," she says. "It's about getting employee support and input in designing programmes."

In the long run, companies benefit, too. "Leadership training, cross-team activity, getting people out of their silos — all those skills come along when companies engage in volunteering," says Ms Lawson.

A growing number of business leaders appear to have recognised the value of this. Of the companies tracked by the Committee Encouraging Corporate Philanthropy, an organisation of chief executives, 51 per cent made pro bono opportunities available to their employees in 2014, up from 40 per cent in 2012.

But while skills-based volunteering is a powerful engagement tool, Ms McGaw argues that companies will need to do more.

"Corporate volunteering is just the tip of the iceberg," she says. "We talk with people doing leadership development and they're looking for ways to produce services and management practices that are designed to create long-term value to society."

This suggests that companies need to go beyond providing volunteering opportunities and making philanthropic community investments. They may also have to examine the nature of the business itself.

"This has to influence business strategy," says Mr Bulloch. "It's about balancing profit with purpose."

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‘Move from hoarding to producing talent’

Q&A
David Plink
CEO, Top Employers Institute

Younger workers are often more restless

Much is made of younger workers' restless approach to their careers. What are the most innovative employers doing to attract and retain millennials?

There is a restlessness among a new generation of younger workers to gain varied skills and experiences, while they also take a more lateral view of career progression.

We see that employers are offering their employees – millennials and others – the chance to take greater ownership of both their own performance and their career development.

Greater transparency around wider organisational opportunities – across roles and borders – as well as the possibilities of mobility and allowing employees to switch from one project to another, also help keep younger workers.

These people are more likely to be interested in broader career perspectives, and these initiatives help them engage with the business.

Career preferences are also changing. Younger workers are less likely to pursue purely linear career progression. Instead, they are looking for a range of varied and challenging work, while keeping a focus on the organisation's purpose and mission.

Factors such as management style, job design and workplace

The top global performers have a stronger focus on the leadership pipeline



environment are becoming increasingly important for engagement, with the availability of development opportunities being particularly crucial. Restless workers are especially interested in flexibility, mobility and the possibility of diversity in their careers.

Are these employers taking different approaches to mentoring and managing younger workers? If so, what are they doing?

Career and succession management is moving away from being an annual event. Instead, the best employers are embracing an ongoing conversational approach with managers, using coaching, mentoring and goal setting as part of their day-to-day interactions with their teams.

It is no longer possible

for managers to try to hold on to top performers. With a broader approach to employee development and a greater awareness of the benefits of mobility, managers are moving away from being talent hoarders, to playing their part as talent producers. This also avoids the negative effect on motivation that can be caused by a lack of development opportunities.

How are successful employers using big data to identify future leaders within their own organisation?

The main objectives of leadership development programmes are to improve both the quality of leadership and the strength of the leadership pipeline.

Top global performers are differentiating themselves by having a stronger focus on the leadership pipeline, which is

leading to a higher number of internal candidates for key managerial roles.

Subjective methods are still favoured by most businesses when it comes to evaluating the success of leadership development programmes, resulting in a surprisingly low performance score for return on investment and a slowly improving one for business performance.

Most top-performing employers have a focus on measuring their development programmes.

However, their leadership development programmes are a notable exception as they often do not use data to measure them.

While there has been an increase in the use of some business performance measures, there are large differences between the best performers and the rest.

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Great leaders possess unteachable flair

COMMENT

Lesley Uren

There are no definitive findings to tell us whether leadership is innate or learned. The latest thinking in neuroscience suggests nature and nurture are so inextricably linked that they cannot be separated.

But while science has not answered the question, practitioners who have spent their careers searching for leadership potential inside organisations are much more convinced that the quality can be developed.

The UK's Royal Air Force has spotted and developed talent for more than 100 years. Air Vice Marshal Andrew Turner, who is responsible for ensuring the RAF and the technical arms of the British army and navy have the skilled

personnel they need for worldwide operations, believes that leadership is not innate.

“You can genuinely help people develop themselves, teach them about the stresses and strains of leadership from a young age and help them continue to learn throughout life,” he says.

Logic suggests that if leadership was simply an inborn quality, then all people who possess the necessary traits would eventually find themselves in leadership roles. But this is not the case. Leaders who should succeed sometimes fail, often because they will not change when their situation changes. This is more a learned than an innate response.

A lot of successful leadership development activity is about helping individuals spot their own strengths. For the RAF, this starts with cadets at the age of 12.

The Air Cadets, the RAF's 40,000-member strong organisation for 12 to 20 year olds, runs formal leadership training courses for cadets from the

age of 17. Air Vice Marshal Turner believes the RAF can spot potential early on.

So if leadership can be developed and shaped from a young age, even if we do not definitively understand its genesis, what are we trying to shape? What makes a great leader?

Leading neuroscientist Baroness Susan Greenfield believes it is wrong to describe leadership as a “skill”. To her, it is more of a “mindset, a disposition”. Much of it is about the way individuals communicate.

That means leaders need a much deeper understanding of how they appear to others, a much higher level of self-awareness.

Emotional intelligence – which is the ability to recognise other people's emotions and use that knowledge to guide their behaviour – is critical for the leader of the future. But is it possible to develop emotional intelligence?

Gianluca Ventura, HR director for Africa, Middle East, Asia and Pacific at Vodafone, believes these



Born to rule? The RAF identifies future leaders at a young age

communication skills can be learned.

“We are working a lot on self-perception,” he says. “One of the exercises I was asked to do was to look at a video of myself speaking without audio and the facilitator challenged me to think about my body language and asked me: ‘Would you trust this

guy? Would you believe him?’ When you see yourself in this light you really understand the emotional impact you are having on people.”

This may make sense, but it feels more akin to learning the mechanics of leadership rather than the flair.

Truly great leaders have a vision and passion that comes from somewhere else – a willingness to make their voice heard, often when confronted with opposition.

Yet no one seems to suggest this can be taught. Indeed, almost all parties in the nature-nurture debate appear to accept that there are a gifted few whose flair is not necessarily genetic, but instead comes from a complex web of personality factors.

So if we do not have the tools to dissect leadership and really understand its genesis, we will have to accept that although we can learn to lead and make the most of what we have, few of us will be great leaders.

Lesley Uren is head of the talent management practice at PA Consulting

Coaching no longer the preserve of executives

Training

Remote and group sessions extend the benefits, says *Maxine Boersma*

Coaching has become a lucrative industry in recent years, as companies increasingly invest in personal approaches to training.

Unlike mentoring, coaching is a form of training that focuses on one specific personal or professional goal, rather than on overall personal development.

The International Coach Federation, which has a membership of close to 50,000 professionals, estimates the global coaching sector generates about \$2bn a year in revenue.

However, coaching is no longer confined to one-on-one discussions. It is just as likely to be delivered remotely or in group sessions.

Remote coaching is a more flexible way of extending the benefits to a wider group of

employees and can be carried out by telephone or video conference.

This reduces travel costs and increases convenience. It also means that employees posted abroad can access coaching from accredited, high-quality coaches.

Samantha King, Standard Chartered's head of executive development, has used remote coaching to train employees in parts of the world where suitable coaches are scarce.

“Remote coaching enables us to increase the scope and consistency of our approach across 71 countries and is a

The proof of effectiveness is yet to be found

flexible way to offer global quality coaching to a diverse community of leaders who would otherwise not have access to it,” she says.

A forthcoming report by executive coaching provider Ridler shows that nearly three

quarters (73 per cent) of the 105 blue-chip organisations it surveyed expect to increase investment in coaching over the next two years.

Much of this will be spent on remote training as 42 per cent of those surveyed say they frequently use telephone or video coaching, up from 29 per cent in 2013.

The report also predicts a 47 per cent increase in group coaching over the next two years.

But some doubt whether executive coaching is worth the increased investment.

In 2014 Erik de Haan and Nadine Page of Ashridge Business School in the UK studied the effects of coaching and concluded that “outcome research in coaching is developing, but the holy grail of executive coaching – proof of effectiveness from a controlled study – is yet to be found”.

The study reported evidence that matching employees with the right coach or colleague is what determines successful coaching, regardless of whether it is delivered remotely or not.



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Talent scarcity spurs global hunt

Mobility Policy-makers are under pressure to help companies attract in-demand staff, says *Hannah Murphy*

Global mobility is morphing from a niche offering for a few select employees to a necessary fix for one of the biggest problems facing multinational employers: a scarcity of talent.

But as the battle to attract and retain the best employees goes global, countries are having to change the way they support companies within their borders and encourage inward movement.

International mobility has traditionally been associated with tempting staff to relocate from developed countries to emerging markets, with the lure of an expatriate lifestyle and a generous pay package.

This model of mobility is undergoing rapid transformation, human resources experts say, as economies with ageing populations are faced with acute workforce shortages.

Germany will face a labour shortfall of 10m workers by 2030, according to estimates by Boston Consulting Group. For China, the figure is 24.5m, while for Brazil it is around 40.9m.

"Companies have to be very proactive about thinking what their talent needs are likely to be five, 10 years from now," says John Marshall, UK and Ireland chief executive of specialist recruiter Adecco Group.

"You really can't wait until then to try to figure out how you're going to fill those talent needs... We've got to find a way to close that gap."

Skills shortages are not the only reason organisations are broadening their approach to global mobility. New evidence shows international experience drives innovation, says Dr Eduardo Rodriguez-Montemayor, senior research fellow at Insead business school.

He points to research suggesting one in four tech start-ups in the US between 1995 and 2005 was launched by foreign-born entrepreneurs. US-based foreigners "patent twice as much as [native-born Americans]", he adds.

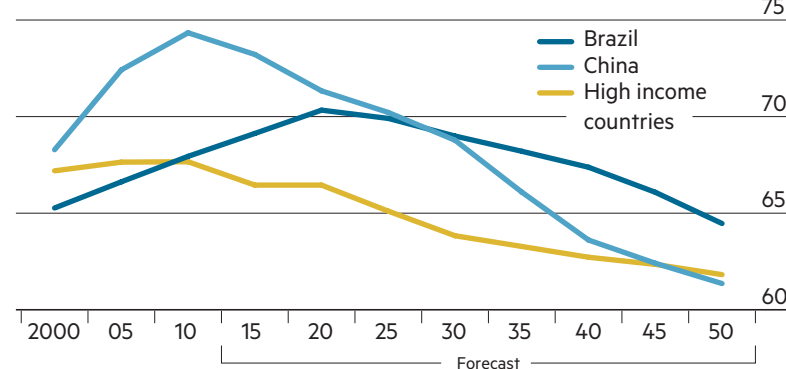
With these benefits in mind, companies are developing internal systems to move talent across borders quickly and smoothly – and in a way that is more cost effective than the old expatriate model.

But few are prepared for the complexity of conflicting country regulations and the bureaucracy involved in creating a system from

Countries compete for the world's most talented workers

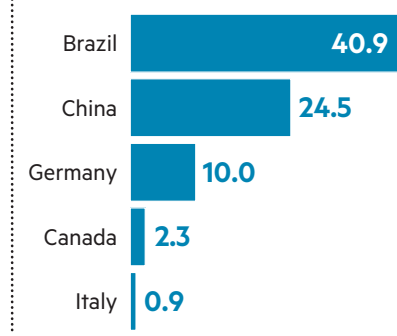
Working age populations are declining ...

As a % of total



... causing severe talent shortages

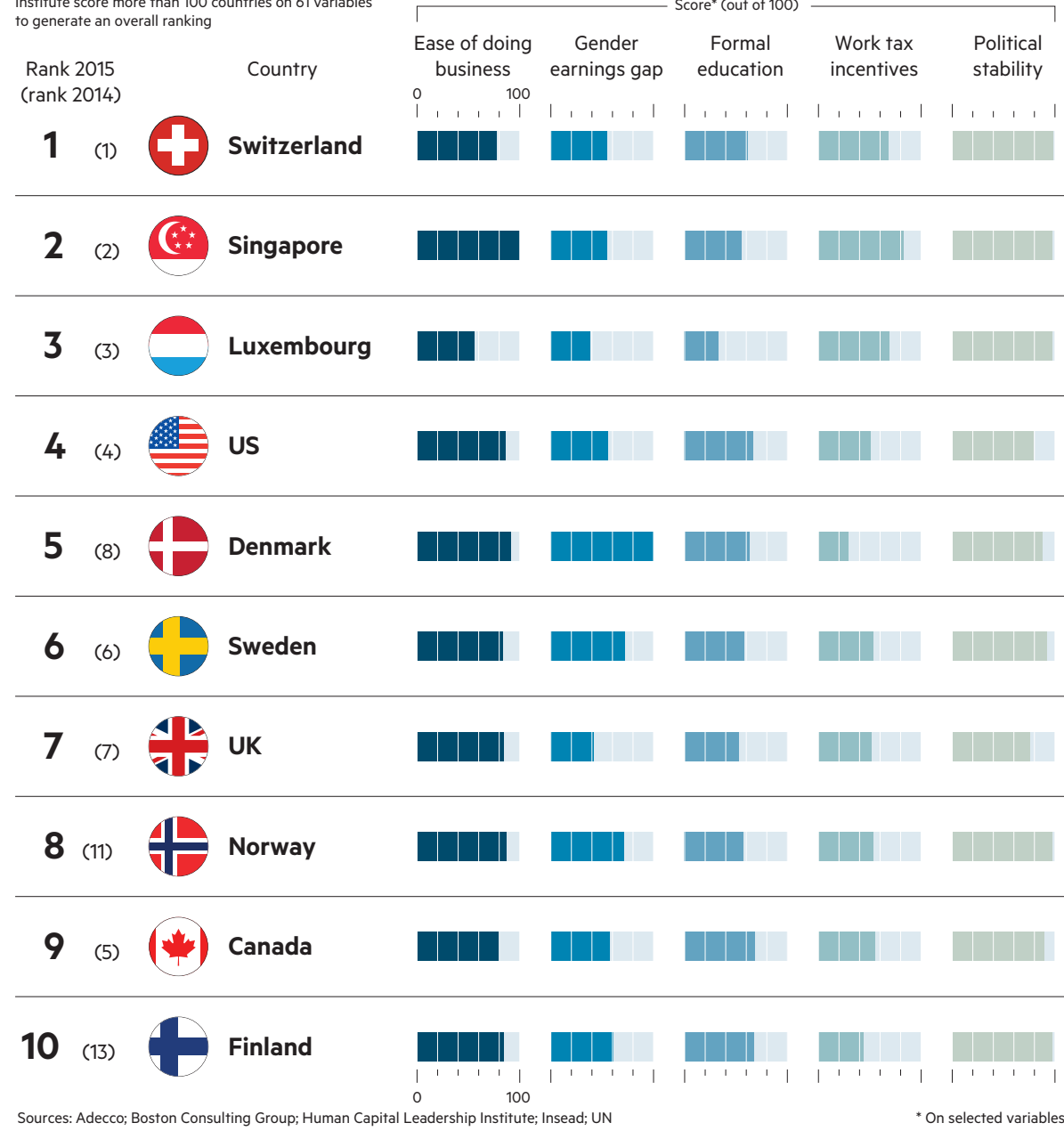
Labour deficit by 2030, million people



Competing for talent: the top 10 countries

Global Talent Competitiveness Index, 2015–2016

Insead, Adecco Group and the Human Capital Leadership Institute score more than 100 countries on 61 variables to generate an overall ranking



Sources: Adecco; Boston Consulting Group; Human Capital Leadership Institute; Insead; UN

* On selected variables

scratch. Just 8 per cent of human resources professionals rate their global mobility programmes as "world class", according to a Deloitte survey from 2014.

While it is up to employers to invest their time and money wisely, coun-

tries also play a big role in making life easier for the organisations within their borders.

Switzerland, with its tax breaks and snowy mountain peaks, tops the Global Talent Competitiveness Index by Adecco Group, a ranking that scores

countries on their competitive edge by measuring 61 variables, from political stability to research and development spending (see chart).

The Alpine country makes attracting talent a priority, says Simon Richardson, senior consultant at

human resources adviser Total Reward Solutions. "When you go there, they even have an employee from the government who helps companies move in and set up," he says.

The UK ranks seventh overall, but falls drastically short when it comes to the gender earnings gap, where it ranks 71st out of the 109 countries included in the index.

The importance of fairness and transparency should not be underestimated, says Adecco Group's Mr Marshall, who calls such factors "hygiene issues".

Countries can also do a lot to boost the brand perception of their cities, whether by building opera houses and art galleries to make a place more culturally appealing or opening international schools to accommodate the children of top candidates.

From a regulatory perspective, managers of global mobility programmes welcome stability over constant change, says Andrea Piacentini, head of reward for the UK and Europe at Standard Life.

"What governments need to realise is that every time you change a tax law or add an extra requirement, you're putting the onus on organisations to be up to speed," he says.

If structural reforms are necessary, they should be focused on simplifying labour market bureaucracy and ensuring legal frameworks are easy to navigate, Mr Piacentini adds.

It is not just complexity that can be an obstacle. Against the backdrop of the European refugee crisis, some governments are ramping up costs as a way of reducing net migration.

A family of four relocating to the UK for five years would be hit with

Switzerland, with its tax breaks, makes attracting talent a priority

visa fees of nearly £10,000, according to Jurga McCluskey, head of Deloitte's UK immigration practice. To move to the US, the same family would need to pay about £2,000, while in Canada the cost is £812.

Instead of introducing a blanket rise in costs to drive migration numbers down, countries should craft policies to target the expertise that is needed, says Ms McCluskey.

A well-designed immigration policy is equivalent to "opening a valve" that lets talent flow into a country, according to Insead's Dr Rodriguez-Montemayor, adding that a seamless visa system alone is not enough to persuade a promising candidate to move abroad. Above all, people are attracted by opportunity, he says.

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Tough times call for bold yet sensitive leadership

People management Staff need support when bad news breaks, says *Rhymer Rigby*

These are uncertain times for employees of big multinationals.

Mining company Anglo American this month announced a \$5.5bn annual loss. This followed a December announcement that it would shed almost two-thirds of its workforce. The past five months have seen Volkswagen go from being a symbol of engineering excellence to an environmental pariah. And, although the Pfizer-Allergan merger may be good

news for shareholders, it will almost certainly mean job losses for staff. It is easy to keep employees content when the sun is shining, but how do companies ensure people stay on side when bad news and disruption are the order of the day?

Treating staff like adults is a good start, says Peter Shaw, an executive coach at Praesta. "Give people the factual background and rationale behind what is happening, so you're making it clear why the decisions have been made," he adds.



You also need to give them a straightforward narrative they can take away with them to tell families and friends. "We're making job cuts because oil prices have fallen and the alternative is going out of business" is much better than "We're making job cuts," Mr Shaw says. He adds that managers should expect employees to be upset and give people space to react.

In an ideal world, senior management might demonstrate empathy by sharing the pain, particularly if there

are job losses. This is something that Japanese companies have been very good at.

In 2014, Nintendo's then chief executive, Satoru Iwata, halved his salary when the company's profits suffered. Similarly, in 2007, when Japan Airlines cut jobs and asked older employees to take early retirement, its chief executive, Haruka Nishimatsu, cut his own pay to \$90,000, which was less than a pilot would earn.

Financial hair shirts for executives

are not always appropriate or practical. But, at the very least, executives should be on display and demonstrating concern, management consultants say.

"If you see CEOs walking around the business and talking to people and explaining, it really makes a difference," says Cary Cooper, professor of organisational psychology and health at Manchester Business School. Sadly, he adds, highly visible empathy is rare, especially in Anglo-Saxon businesses.

Retention

Traditional ways of motivating still work, writes *Sharmila Devi*

Employers are coming up with novel perks and working structures to attract and keep younger workers, from paying for dry cleaning and gourmet chefs at work to installing sleeping pods and even, in the case of Facebook and Apple, offering to pay up to \$20,000 for some female employees to have their eggs frozen.

Many are gimmicks and unsuited to the world outside

Silicon Valley, say some business analysts. But more serious programmes – ranging from unpaid leave and allowing time for personal projects at work, to volunteer days and company donations to charity – may help to retain more socially conscious younger workers.

Gerald Ledford, senior research scientist at the Centre for Effective Organisations at the University of Southern California, says employers often overestimate the value of fringe benefits.

"Executives and HR people love the latest shiny fad that they hope will buy employee motivation and loyalty on the

Umpire takes advantage of unpaid leave scheme

While some Londoners might take an odd day off work in the summer to watch a tennis match at the Wimbledon Championships, Alex Bosshardt (pictured) made use of his company's unpaid leave scheme to umpire at the prestigious tournament.

Mr Bosshardt, who began umpiring more than 10 years ago, was able to officiate at two warm-up tournaments using the same staff benefit.

His employer, Deloitte, last year introduced its Time Out scheme, which enables workers to request a four-week block of unpaid leave each year. Some 600 people have

taken part so far, with a broad 50-50 gender split and a mix of those in senior roles and more junior positions.

The scheme is open to workers who have been at the company for more than a year, meaning up to 10,000 people in the UK are eligible.

Emma Codd, UK managing partner for talent at Deloitte, expects many more to take advantage.

"It was slow to begin with as people waited to see what their colleagues would do," she says. "You have to apply six months in advance and it's really taking off now."

"People said they wanted to be judged on output... This is one way of showing our trust in people," she adds.



cheap," says Mr Ledford. "If they really want high levels of employee motivation and engagement, [they should] try fixing the problems that are a lot harder to work on but a lot more important to employees."

To attract and retain millennials, Mr Ledford says, "the best way is to look beyond perks at what kind of organisation they are most likely to identify with in terms of social values". Other employees, such as those in the middle of their careers or with families, are more likely to value benefits, such as flexible working and parental leave.

Showing appreciation to

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How ex-staff can still work for a company

Alumni

Nurturing links with former employees can aid recruitment, writes *Sophie Clowes*

be widely known. Mr Ferrabee recalls a company in Madrid whose building was destroyed by fire. "Someone asked where the crisis plan was," he says. "The company replied that it was in the building."

Keeping people informed is one way to help them feel that they are not at the mercy of forces beyond their control. Offering them choices is another. These might not necessarily be appealing options – such as redundancy or moving across the county – but even so, they allow people to take charge and feel as if they are doing something positive to affect their futures.

Giving people bad news face to face is often unpalatable but the alternative can be suffering a public relations disaster and long-term damage to the company's brand.

Last year, Hutchison Ports in Australia sacked 97 people by text and a follow-up email. Few organisations take such impersonal measures, but many neglect to tell staff what is going on. It can be very demotivating for workers to rely on the news and rumours to find out about the future of their job.

However, it is worth remembering that most people's day-to-day working lives are quite tightly circumscribed.

Organisations need to be wary of assuming people understand everything, says David Ferrabee, managing director of consultants Able and How. They also need to have the right structures in place to deal with difficult times or bad news, he adds.

"People often assume information will cascade down, but it rarely does unless it's gossip," Ferrabee says. In fact, he adds, employers should be building up an understanding of how to communicate problems to their staff, and these disaster plans should

"Most people work in their own little worlds made up of their teams and their line managers," says Prof Cooper. "If that's good, even if there are problems in the wider company, then they're probably happy."

Therefore, he adds, there should be greater emphasis on training line managers to be empathetic and have the kind of soft skills needed to manage when times are hard.

Mr Shaw adds: "You should demonstrate appreciation for what staff have done, especially if it's bad news you're giving them."

Contribution: Volkswagen chairman Matthias Mueller, centre, addresses the media after last year's emissions scandal

Sean Gallup/Getty Images

An organisation's former workers can act as promoters for its "talent brand as well as its overall corporate brand", says Mr Audino. Companies also can use alumni networks as a resource for recruiting former employees.

Annabel Rake, chief marketing officer at Deloitte UK, refers to returning workers as "boomerangs". "These are people who come back with a new set of skills and experiences that we find very beneficial," she says. About 20 per cent of Deloitte's hires each year are boomerangs.

Returning employees are a proven benefit of the Credit Suisse alumni network, too, says Markus Simon, global head of the bank's talent development shared services and online academy, as well as its alumni network. Like Deloitte, roughly 20 per cent of Credit Suisse recruits are rehires, he

office equipment, TinyPulse altered Ikea furniture to create low-cost standing desks. "Or instead of a sleeping pod, which can cost \$10,000, why not have a room with a couch where you can shut the door."

He says TinyPulse has managed to keep millennials happy with initiatives such as quarterly volunteering days, when employees choose to work in a soup kitchen or clear litter.

Another way to engage younger employees is to let them set their own working hours and judge them on the results, says Anne-Marie Malley, UK human capital leader at Deloitte.

"Other things I've seen companies do that seem to work include giving grants to create homeworking spaces or allowing people to spend... time on their own project," she says.

Connections

Building a network that benefits everyone

What form should your network take?

An effective network needs an active social media platform for users to stay connected, as well as organised events where people can meet in person.

Tony Audino says he learnt the value of balancing both while building the Microsoft network. "We learnt that while having the digital connection is certainly helpful, people love to get together face-to-face."

Most of the physical events – from sponsored exhibitions to talks by alumni to year-group gatherings – provide an opportunity to network. "People want to learn about other people and how they have become successful," says David Goggin (pictured).

What are the advantages of using a third party?

Markus Simon says there are IT advantages of using Insala to manage the Credit Suisse alumni network. He does not believe the network would get the right attention were it run in-house because the bank's own IT resources are targeted elsewhere.

What are the challenges?

Engagement is the main challenge, says Mr Goggin, and getting companies to understand the new opportunities available for growing their business.

For Mr Simon, the challenge is more technical: ensuring that the bank always complies with data privacy laws from different countries.



Quirky perks no match for peer recognition

employees should not be dismissed as a fluffy idea because retention is tied to recognition, says TinyPulse, a Seattle company that monitors employee satisfaction. Its 2015 employee engagement report collated anonymous responses from more than 400,000 employees at 500-plus companies. It found that only 31 per cent of workers felt strongly valued, while nearly one in four said they would leave if offered a 10 per cent raise elsewhere.

So what would work to attract and retain the best people? "It's not things like coconut water in the war of perks," says David Niu, chief executive of TinyPulse.

"It can be just the basic nuts and bolts that management should not overlook. They should be open to getting feedback and allowing people to

anonymously report what they are feeling so if there are any trends, there's time to act on it," says Mr Niu.

"People also want peer recognition, so giving a shout-out or acknowledgment at the individual or team level is important, too. It can be as easy as a regular email or weekly lunch."

When it comes to benefits such as sleeping pods or standing desks, research has found contradictory results. For example, a study by the University of Exeter and University College London last October challenged claims that sitting for long periods increases the risk of an early death even if you are otherwise physically active. Standing desks are an expensive investment for start-ups if the research is not conclusive, Mr Niu says.

Rather than buying expensive

office equipment, TinyPulse altered Ikea furniture to create low-cost standing desks.

"Or instead of a sleeping pod, which can cost \$10,000, why not have a room with a couch where you can shut the door."

He says TinyPulse has managed to keep millennials happy with initiatives such as quarterly volunteering days, when employees choose to work in a soup kitchen or clear litter.

Another way to engage younger employees is to let them set their own working hours and judge them on the results, says Anne-Marie Malley, UK human capital leader at Deloitte.

"Other things I've seen companies do that seem to work include giving grants to create homeworking spaces or allowing people to spend... time on their own project," she says.

says. Companies can save money in recruiting using alumni networks. Further savings are made when an alumni network generates referrals of talent and business.

For the alumni themselves, staying connected, maintaining relationships with people and networking are significant benefits. For many, it is a career management tool, where they can find new jobs or business opportunities.

Deloitte runs a referral scheme for its alumni, as well as offering access to the company's latest research. Ms Rake says Deloitte's alumni network has a "circular benefit model", adding "if we can help them then ultimately they can help us and that's what makes the network strong."

Alumni networks have evolved from the collegiate to the corporate, with law and

accounting firms early adopters. David Goggin of Insala, an alumni software provider, says some financial service companies are investing in their alumni networks. Private equity firms are starting to foster their alumni, too, he adds.

The success of a network is all about engagement, says Mr Goggin. "Successful networks are in organisations that spend time understanding what their alumni are looking for."

Mr Audino believes a network's success comes down to two simple things: people and purpose. "If you focus on the people and some purpose that makes sense for your organisation and its talent, then you are off to a good start," he says.

"If you are a company today without a corporate alumni network, you are at a competitive disadvantage."

Employment Global Best Practice

Apps learn from email's productivity flaws

Technology

Slack and Facebook at Work are becoming indispensable in the office, writes *Maija Palmer*

"Electronic mail has become a vital business tool for many companies . . . when used effectively it can improve a company's productivity and competitiveness." So wrote the Financial Times in 1995 about the new business craze for email. It was still a new tool then – only 55 per cent of workers at America's biggest companies had used it.

Fast forward 21 years and email has become a time-sapping curse that floods inboxes every day.

Far from enhancing productivity, studies have shown that email interruptions make tasks take up to three times longer. In 2012, researchers at the McKinsey Global

Institute reported that the average worker whose job involves handling information spends more than half their time at the office communicating about their work, and less than one-third of their time actually doing the job they were hired to do.

The search is now on at many companies for new messaging platforms that would do away with email and make communication more efficient.

Two of the newest tools are Slack, a business-focused messaging app, and Facebook at Work, a version of the popular social media platform. Anecdotally at least, these seem effective at eliminating email.

"I've gone from receiving around 180 emails a day down to

about 30 since we started using Slack," says Alex Hirst, co-founder and joint chief executive of Huckleberry Partners, a marketing and office support services company. "That alone has radically improved productivity."

Suraj Kika, founder and chief executive at Jadu, a UK-based software company, describes himself as "slightly addicted" to Slack. "It is safe to say that it has also lowered the number of meetings and phone calls," he adds.

The Royal Bank of Scotland, meanwhile, rolled out Facebook at Work to a pilot group last summer, and now has more than 10,000 staff enrolled on the platform.

"Facebook at Work is part

Taking up Slack: app is growing



of our transformation to become a more transparent company," says Kevin Hanley, director of design at RBS. "Email tends to be more hierarchical, it is a one-way broadcast. It is not a tool that prompts feedback or discussion. Facebook lets us communicate in a different way."

One of the benefits, Mr Hanley says, is that employees can set up groups around shared interests. There are groups for new graduates, others that discuss corporate social responsibility and one looking at how the bank can help vulnerable customers. Staff from across different pay grades collaborate and share knowledge in these groups in a way that does not otherwise naturally happen, says Mr Hanley.

Messaging tools are also automating certain tasks. Jadu, like many Slack users, has also created an automated program – a 'slackbot' – which helps users find company information quicker. A number of productivity-aiding tools like this can be built into the system, and

Slack has opened an app store where users can access or download services such as Dropbox and Google Drive, which will work with the platform.

There is one important problem that new messaging platforms fail to solve, however, which is what has been described as the "crisis of attention", where modern office workers have too many messages and notifications vying for their attention and are therefore unable to concentrate on their work.

When probed, many Slack enthusiasts will admit that some of the platform's features – such as the ability to add animated images and emojis to messages – can lead to time wasting.

It is possible to adjust how often you see notifications and to switch off messages at certain times. But even so, says David Johnson, principal analyst at Forrester Research, these tools are likely to help people who are already good at managing their time, and will distract those who are not.



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Employment Global Best Practice

Frustrated US workers go it alone

Freelancing
Work is becoming more flexible but less secure, writes *Sarah Murray*

In a space resembling the lobby of a boutique hotel, stylishly dressed professionals gather around cappuccinos and glasses of wine. These people are renting space from NeueHouse, a luxury co-working hub in New York City designed for consultants, freelancers and entrepreneurs. They are part of a growing army of people who are redefining the nature of work across the US.

"Work is no longer a place," says Stephane Kasriel, chief executive of Upwork, an online marketplace that matches freelancers with assignments. "The future of work is much more flexible and distributed. Time and location barriers are being knocked down and rigid roles are going away."

Technology has played a critical role in enabling this form of work. "You can have 50 people in Argentina coding for a project in Germany – that was unthinkable 10 years ago," says Jonas Prising, chairman and chief executive of ManpowerGroup, the recruitment company.

In the US, assessments of the size of this new labour force depend on what is counted as an independent worker and whether part-time or temporary workers are included in the calculation.

Estimates vary considerably. The US Government Accountability Office's figures show that less than 5 per cent of the total US workforce fit its narrow definition of temporary employment.

On the other hand, says the GAO, by including alternative employment arrangements such as on-call, part-time and self-employment, estimates can be more than a third of the labour force.

This was the conclusion of a 2015 study by Upwork and Freelancers Union, an advocacy group, which found that more than one in three workers in the US – almost 54m people – are now freelancing.

The study estimated the number of US freelancers



Shared space: NeueHouse co-working hub in New York
Craig Rockwell



Case study Corel

One company that is making the most of the proliferation of freelance workers is Corel, the software developer based in Ottawa, Canada, and known for programmes such as WinZip, PaintShop Pro and WordPerfect.

"I need skills but at the optimal spend – not for more than I would spend on a full-time hire," says Prasanna Ganesan (pictured), vice-president of operations at Corel.

What has made accessing this talent easier is technology in the form of workforce matchmaking platforms such as Upwork.

On Upwork, Mr Ganesan can search globally for the types of skills he needs, manage their payments and identify the best performers. "You need a middleman," he says.

He also likes to have the flexibility of being able to hire skilled freelancers as and when he needs them.

swelled by 700,000 in a year.

But whatever the share of US employment this workforce represents, few see it as likely to shrink. "It's definitely a growing proportion," says Joe Coombs, a senior analyst on workforce trends at the Society for Human Resources Management.

However, he points out, not all workers are freelancing by choice. "While the job market has strengthened, there's still many people out of work or underemployed," he says. "So in frustration with those conditions, more people are striking out on their own."

Nevertheless, the study conducted by Upwork and Freelancers Union found that 60 per cent of people freelancing were doing so by choice, a rise of 7 percentage points from 2014.

But if adopting the freelance life is a positive decision for an increasing number of people, many of the support systems needed by this group of workers are not yet in place.

While the US Affordable Care Act has widened the availability of healthcare insurance – which employers traditionally provided to their workforces – not all the changes have helped freelancers, argues Sara Horowitz, founder and executive director of Freelancers Union.

"They're not eligible for subsidies and the options on the individual market are getting worse," she says.

Other support services, such as pension plans and training and development courses, can be harder to find or more expensive for independent workers.

Moreover, this workforce is

arrangements," says Charles Jeszeck, director of the GAO's education, workforce and income security team.

He argues that for policymakers to come up with solutions, they need better information on the size and nature of the independent workforce. In this respect, one sign of progress is the US Department of Labor's recent announcement that it will conduct a survey of contingent workers as part of the 2017 Current Population Survey.

Ms Horowitz believes there is an important role for unions and charities in providing support services and professional development to those in alternative forms of employment.

"We have to be imaginative," she says. "As profoundly as work is changing, so the new work organisations are going to [have to] change."

vulnerable to abuses such as workplace discrimination.

"A lot of these workers don't have the labour market protections afforded to workers in traditional employment



FT SPECIAL REPORTS

EXECUTIVE INCLUSION

After an ongoing focus on gender equity in boardrooms, according to the recent Race at Work 2015 Executive Summary by Business in the Community, the Government's agenda is now shifting towards a focus on Ethnicity and Inclusion in the Workplace and this report was created to identify diverse role models in the UK and beyond.

Proposed Features:

Overview
What is in a name? – The cover story looks at the divisive issue of the label BAME and speaks to experts and activist about the best way forward. "Who would you be if the world never gave you a label?"

Interview
Sana Amanat, director of content and character development at Marvel Comics and inspiration behind the character Ms Marvel talks to Matthew Garrahan about her experience growing up in New Jersey and working in the white, male dominated world of super heroes.

Role models
This piece looks at the role models in business, examining their impact and finding out what makes them so effective (with ranking). Guest Column: How to champion inclusion

The Detail:

Proposed publication: May 26th
Booking deadline: April 26th
Copy deadline: May 19th

For more information on this report and how you can align your message of support and commitment to celebrating inclusion, get in touch with Peres Kagbala: peres.kagbala@ft.com or your usual FT advertising representative



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