

EMPLOYERS Global Best Practice

AN EXECUTIVE APPOINTMENTS SPECIAL FOCUS

www.ft.com/recruit | @FTCareerMgmt on Twitter

Inside

Missing the workplace

"You don't realise how much your confidence and community rely on being employed"



Golden rules are to listen and measure

Sharmila Devi reports on the key findings from an annual certification process that identifies the world's Top Employers

Human resources has become part of the hardware of a company and HR professionals need to measure the effects of their policies on the business.

This is the view of the chief executive of an organisation that conducts an annual survey of HR best practice at leading companies around the world.

David Plink, chief executive of the CRF Institute, says creating the right conditions for employees, being consistent in communicating and implementing them, and measuring the return on investment in policies such as training are the golden rules for today's top employers.

"We believe an employer must offer the best conditions for employees to reach their full potential. People now demand individualised programmes for them to grow; diverse and challenging work; and growth that can be lateral, not necessarily vertical," he says. "Everyone has their own demands and companies have to listen and be consistent."

To earn a place in the boardroom, HR professionals have to think how they can serve as a profit centre, he says.

"It used to be that after completing a training course, employees did a test and filled in a questionnaire. But that test could be done again in six months, or a year, to ensure the knowledge is still there," he says.

"The career development of employees can be tracked to discover the long-term effects of investment in them. In big companies, the number

of employees is large enough to get good data."

The CRF Institute's survey measures companies against a number of criteria. Those achieving the benchmark are awarded a Top Employers certificate. About 11 per cent of those applying this year failed during the certification process, sometimes because benefits were not formalised in policy, because employees did not know about them, or companies simply did not offer as much as expected, says Mr Plink.

Companies are assessed on primary benefits, which covers monetary benefits, pay policy and performance pay; secondary benefits and working conditions, which includes non-monetary benefits, work-life balance and employee well-being; and training and development, which covers talent

China's staff turnover rate is 20.1 per cent; in Europe it is 10.5 per cent. But China has an absenteeism rate of just 1.8 per cent

management, employee competencies and development programmes.

Also covered are career development, which includes succession planning, career paths and performance management; and culture management, which covers an organisation's ability to establish a strong culture, employer branding and induction.

Over the past year, 780 companies in 45 countries were surveyed and more than 70 questions were asked covering aspects such as absenteeism, turnover, women in executive management, mentorship, flexible working arrangements, HR priorities, annual leave and growth in staff numbers.

This year's survey highlights inter-

esting differences across Europe, Africa and China. Companies in all three regions make talent management and employee engagement their top priorities, but their third priorities vary: in Europe it is learning and development, Africa prioritises organisational change, and in China it is leadership development.

China's staff turnover rate is 20.1 per cent, compared with Europe's 10.5 per cent and 12.3 per cent in Africa. But China has an absenteeism rate of just 1.8 per cent, compared with 3.7 per cent and 3.6 per cent in Europe and Africa respectively.

Mr Plink says staff turnover is lower in companies with a clear "employee value proposition" – the balance of rewards and benefits received by employees in return for performance.

There are plans to expand the survey to Latin America and the Asia-Pacific region, followed by North Africa and the Middle East.

Global companies that say they use established HR best practices to compete for talent include Infosys, the IT outsourcing group based in India; Japan Tobacco International, owner of several leading cigarette brands; and software giant Microsoft.

They combine these with specific incentives that might be regional and promoted as the company's unique selling point.

For example, the Infosys Leadership Institute is promoted to develop a pipeline of senior executives; JTI cites employee recognition of core cultural values across the company; and Microsoft in Africa finds flexible working to be an attraction.

The Infosys institute has already proved its worth in attracting and retaining talent, says Matt Barney, its vice-president and director: "Leaders tell us the institute's combination of science and practical training persuaded them to join the company."

JTI says employee surveys show its



David Plink, chief executive of the CRF Institute, says of the institute's Top Employers programme: "It recognises excellence in the strategic management of people in the triple bottom line – people, planet, profit – in the world's leading organisations. These organisations have proved HR is strategically important to reach their business goals. The certification itself sends a strong signal to stakeholders and the marketplace that the organisation's employment practices are globally competitive, attracting the best talent. We see that spending at the best organisations has not declined in the field of employer branding or HR communications, even in the current economic climate."

values have been absorbed by the vast majority of its 25,000 employees. "We are proud to say we have the right strategy in place," said Ilona Alonso, JTI's human resources vice-president for western Europe. "Where we are different is in furthering our culture and values, and our employees live those values."

Mark Phillips, JTI's HR vice-president for central Europe, says the company's emphasis on internal promotion ensures employees feel they have a stake in the future: "People move from the developed world to the developing world but also the other way round, because talent is talent. With these possibilities, people have a sense of purpose."

Cherise Mendoza, Microsoft's HR leader for West, East and Central Africa and the Indian Ocean islands, says she is able to use cross-company tools and tailor them to her region: "I manage 49 countries in sub-Saharan Africa and it would be a luxury to offer training and development in each. But I can use our virtual tools and connect via technology."

Many of the multinationals operating in Africa have benefited from their experience in more established markets, allowing them to escape HR mistakes of the past, says Mr Plink. "There are specific challenges wherever you go in the world but there's a simple rule: listen to your employees," he says.

Bosses expected to master HR skills

Line managers

Sharmila Devi meets an expert who argues that developing talent should be a specialist task

A senior leader with the UK's National Health Service once told Lesley Uren, a talent management expert at PA Consulting Group, that clinicians found it easier to tell someone they were critically ill than to have a conversation with a colleague about their performance or career potential. "The reason was because the doctor did not necessarily have an in-depth, personal or long-term relationship with their patients, but did with colleagues and this goes to the heart of the issue," she says.

"Having a great conversation is a highly skilled task and we are asking line managers to develop a skill set on a subject that actually takes the experts years to master."

For many employees, "the organisation" is represented by their line manager, who today is expected to act as a mentor, champion and one-person HR department to each of their reports.

This can have the effect of distracting managers from their business critical functions and stifling personal development as they seek to hang on to their best people by blocking movement to other departments.

Meanwhile, HR chiefs are seeking a bigger role in business strategy. But some experts, such as Ms Uren, have suggested instead a bigger role for HR in managing and developing talent, having the difficult conversations about performance, and guiding and mentoring individuals towards career goals and greater satisfaction within

Continued on next page

ADVERTISEMENT

As one of Europe's Top Employers, our global reach sets us apart



At JTI (Japan Tobacco International), people grow as our business grows. We place top priority on ensuring our people understand where our business is going so that they can determine how they'd like their career to develop. Together, we can help each other reach higher goals and greater achievements. It's this commitment to our employees that has seen us become one of Europe's Top Employers 2013, as well as being a respected and valued employer globally.

Certified by Top Employers, Europe 2013 - Independent research shows that JTI offers outstanding working conditions to its employees. From internal training to diverse teams and international experiences, we offer a friendly, nurturing and collaborative environment for people to grow their careers. That's why 88% of our employees would recommend JTI as an employer¹.

Global Opportunities - We have about 25,000 employees around the world representing more than 100 nationalities. We understand how important cultural diversity and global opportunities are to enriching not just our business, but the employee experience. That's why the number of people on international assignments all over the world has quadrupled since 2004. Operating in over 120 countries, we encourage our people to explore the way different markets work, expand their knowledge and grow their career. With this amount of globetrotting, it's no wonder that 91% of our employees understand and support the goals and objectives of JTI¹.

Career Progression - Our dedication to meaningful career development means our employees are given the freedom to decide where they'd like their career to go, and we do what we can to make that happen. We take great pride in supporting the talent and ambitions of our people. In fact in 2012 more than 80% of our managerial appointments were internal promotions.

Innovation - Our attitude to innovation is inspired by the concept of Kaizen, or 'continuous improvement', a philosophy handed down from our parent company, Japan Tobacco Inc. Our employees are actively encouraged to put forward their ideas and suggestions to colleagues and their managers as well as through our internal social network where ideas can be shared across the organization.

Employee Engagement - Sharing values with our employees is integral to JTI's culture. We have a saying here – 'hire for attitude, train for skills'. Employees not only see the commitment we have to their development but also to our business and its values. That's why 94% of employees are happy to go above and beyond what's normally expected to see our company excel¹.

¹ JTI Global Employee Engagement Survey 2012

jti.com

"I have the vision that comes from experience"
Paul-Jean,
Functional CFO

"I offer a fresh pair of eyes"
Ellene,
Graduate Trainee



Growing together
means embracing diverse thinking

Benefits of a job go beyond pay packets

Communication

Charles Batchelor looks at how organisations get the message across to employees about the positive side of work

Explaining how a company's pension scheme works is never going to be an easy task. Dry, technical and, for younger employees, a distant prospect, pensions rank among the least engaging of topics.

Other equally valuable benefits, such as a medical plan or life assurance provision, can also be a difficult "sell".

Yet companies spend vast sums on a wide range of employee benefits and, while they might not be the deciding factor in persuading someone to join a company, they can form part of the mix that makes a desirable new "hire" join one business rather than the opposition.

"Employers spend millions of pounds providing employee benefits," says Tessa Wishart, senior communications consultant at Towers Watson, benefits consultants. "If they put more thought into communicating with staff, they would be more likely to get payback for the money invested."

One company that had traditionally adopted a staid, paternalistic approach to benefits revamped its communications strategy to make it more accessible and incorporate feedback from employees. Previously, only 2 per cent of workers had responded to the company's messages; the new approach prompted a 40 per cent response rate.

"People said that this was the first time they had really understood their benefits," explains Ms Wishart. "People struggle to understand pensions and when the penny finally drops about how much they will receive on retirement it can come as a shock. If they understand where they are, they can do something about it."

As company and taxpayer-funded pensions around the world come under increasing pressure, the challenge of choosing a pension plan that delivers a decent standard of living is increasingly shifting towards the individual employee. The move in the UK from defined benefit to defined contri-

but company pensions makes it essential for employees to understand and monitor their scheme.

For companies with cross-border operations, benefits arrangements must reflect local legislation and practices while fitting into the overall corporate philosophy. "The overarching message of companies that we have worked with is about risk and managing uncertainty," says Tamasine Fryer, principal at Mercer, the benefits consultancy.

The common feature of effective communication strategies is that they attempt to engage staff instead of simply providing them with information. Ms Wishart offers the example of a client: "Presentations used to have a very corporate look and feel. It was death by PowerPoint. In no way were they seen as engaging or fun. We brought in a very open, cleaner, more straightforward approach."

The answer, she says, is to make communicating a benefits programme much more of a two-way process. "It

Benefits usually form part of the wider dialogue between management and staff that is vital to maintaining morale

used to be about pushing out information and not about encouraging a response or providing an opportunity for feedback. It should be about employees joining the conversation."

An increasingly popular way of ensuring employee engagement is "gaming" – incorporating important information in a playful context that conveys a message painlessly. To overcome the problem of people sitting at the back of presentations, fiddling with their BlackBerry, participants at one company were provided with handsets and set a series of questions, for example.

"We didn't talk about life expectancy," says Ms Fryer. "We asked people to guess the life expectancy of a labourer in Bethnal Green in the 1830s – 16 years – and compare that with a member of the landed gentry – 36 years. There were gasps from participants. Then we asked them what life expectancy was now. They could see what answers their colleagues were giving so they did not feel silly not knowing."

"That is the same approach as that

Missing the workplace Being unemployed brought loss of confidence and self-worth



Piers Graham, a 42-year-old TV vision controller with New Zealand's TV3 channel, knew he was taking a risk when he quit his job there to join his girlfriend in the UK.

But he had worked in the UK before and never had a problem finding employment through one of the large recruitment agencies.

However, even allowing for the economic downturn and its impact on the UK jobs market, he was surprised

at the time it took to find a job that matched his areas of expertise. He has now passed an initial interview and been signed up in a "pool" of candidates for a job – though there is no guarantee – with an independent company servicing the large broadcasters.

A vision controller ensures TV programmes go out on time with the proper titles. The proliferation of channels in the UK has increased the

demand for such expertise.

But being unemployed for such a long time has been stressful, Mr Graham says. It is not so much a question of the lack of a corporate structure and support as the loss of status that being without a job implies.

"There is a definite loss of self-worth. You don't realise how much your confidence and your community of friends relies on you being employed. I would get a sinking feeling when

people asked me what I was doing. I worried that people perceived me as coming here to live off someone."

A particular challenge was posed by the fact that so much recruitment is now done online, a development that Mr Graham, who has an "ancestral visa" allowing him to work in the UK, found particularly alienating.

"I thought I would ring up the agencies and talk to them. But I had to email my CV and then I didn't hear back from anyone. At best I got a message saying: 'Thank you but we regret to inform you...'"

"I hooked up with the agencies online and they seemed fairly interested. But it quickly dawned on me that it was not going to be easy. Even though I had used them before they were not as forthcoming or as open as they used to be.

"There is no human contact unless they are interested so you can't 'sell' yourself to anyone. It made me question everything. Was I doing anything wrong? What were people seeing in my CV that was causing them a problem?"

"The agency websites advise you not to apply for jobs that you don't have the right skills for so there must be a lot of people sending their CVs all over the place."

Nearly four months spent looking for a job made Mr Graham question whether employers would see him as too old for the job he was seeking and whether he had acquired enough skills to make the grade. "You get a lot of job adverts looking for enthusiastic, career-driven young people. I always thought I was in that category but I am 42."

He also worried that his lack of contacts in UK TV would work against him. "Connections go a long way in the media world and I had none over here."

Even for someone used to a peripatetic lifestyle and a working environment that was not particularly paternalistic, the past few months have proved challenging for Mr Graham. It is a relief to him that that period of uncertainty now appears to be ending.

adopted by a good educator in school. You make it compelling, interesting and memorable. As people's attention span shortens it is increasingly important to enable people to share information and experiences."

A danger of involving everyone in the conversation is that forceful individuals can have a disproportionate impact on their colleagues. One company discovered that an unusually large number of its pension scheme members were invested in particular funds. On investigation, it found one member of staff had persuaded many of his colleagues that this was a sound investment, so they had all followed.

As well as engaging staff, benefits messages must be kept up to date as legislation changes, employees lives move on and new employees join. "You have to repeat your messages if you want to maintain interest and get people to take action," says Ms Fryer. "You have to develop your programme and respond to feedback."

Dimension Data, an IT services company, updates its UK hosted website, called Valued, each year in response to changing conditions and to benchmarking exercises carried out against other companies in its field. Regular employee surveys are carried out and recently led to changes to maternity

benefits for staff. "It is a continuous communication," says Jane Wood, HR director for Europe.

Communicating benefits provision can be a tricky part of a company's relationship with employees but benefits rarely stand alone. They usually form part of the wider dialogue between management and staff that is vital to maintaining morale and communicating a sense of direction.

Virgin America, an airline serving destinations throughout North America, reconfigured its method of communicating with its 2,700 staff at more than 20 locations.

"We had had an intranet platform for several years but we knew we had to revamp the way we communicated," says Ben Eye, manager of teammate engagement and communication. "We had to deal with the 90 per cent of teammates [staff] who are remote, so we designed it to foster a sense of involvement."

The company's previous platform contained a lot of information but lacked two-way communications so did not make it easy to obtain feed-

back. It was not mobile-friendly and was proving difficult to maintain.

Working with Appirio, an IT services provider, Virgin America customised the Salesforce "Chatter" platform to allow a merging of social media with business processes. Part of what Virgin America calls its VX Connect platform is devoted to HR topics, including an explanation of the company's benefits package. It also includes customised forms that allow staff to enrol in a pension plan and apply for medical leave.

Queries can be submitted to members of the benefits team online. "Because the entire department is monitoring what comes in they get an answer more quickly," explains Mr Eye. "But this is broader than just benefits: it stimulates the level of engagement. We have a very open environment and we see that as our differentiator in the airline industry."

Ms Wishart says: "Technology allows you to be more effective and targeted in your approach. Communication can be effective without having to go too far in terms of cost."

ADVERTISEMENT

TOP EMPLOYER CERTIFICATION:

For the world's
**LEADING
EMPLOYERS
ONLY**

Top Employers, certified by the International CRF Institute, are proven HR policy leaders with globally competitive employment practices that attract the very best talent.

These organisations have a confirmed HR capability to meet current and future business goals.

European Continental Top Employers 2013



THE FOLLOWING MULTINATIONALS ARE CONTINENTALLY-CERTIFIED TOP EMPLOYERS IN EUROPE FOR 2013 AND HAVE ACHIEVED THE INTERNATIONAL CERTIFICATION STANDARDS IN 5 OR MORE OF THE FOLLOWING COUNTRIES: AUSTRIA, BELGIUM, CROATIA, CZECH REPUBLIC, DENMARK, FRANCE, GERMANY, GREECE, HUNGARY, IRELAND, ITALY, LITHUANIA, LUXEMBOURG, POLAND, ROMANIA, RUSSIA, SLOVAKIA, SPAIN, SWEDEN, SWITZERLAND, THE NETHERLANDS, TURKEY, UNITED KINGDOM.



African Continental Top Employers 2013



THE FOLLOWING MULTINATIONALS ARE CONTINENTALLY-CERTIFIED TOP EMPLOYERS IN AFRICA FOR 2013 AND HAVE ACHIEVED THE INTERNATIONAL CERTIFICATION STANDARDS IN 4 OR MORE OF THE FOLLOWING COUNTRIES: ALGERIA, ANGOLA, BOTSWANA, CAMEROON, CODE D'IVOIRE, DEMOCRATIC REPUBLIC OF CONGO, KENYA, MALAWI, MAURITIUS, MOROCCO, MOZAMBIQUE, NAMIBIA, NIGERIA, SOUTH AFRICA, ZAMBIA, ZIMBABWE.



Bosses expected to master HR

Continued from previous page

the workplace. This might increase their value to an organisation and enhance their experience at work.

"What we know is that although perceived wisdom is that this is the line manager's 'job', most organisations will tell you that their line managers find this part of their role particularly challenging – indeed, creating a culture where great conversations happen between the individual and the line manager is almost the 'holy grail'," she says.

"Consider as well that we have historically attempted to close this gap by building line manager skills through training programmes of often quite short duration. Putting this in context, this often means that we need to build the capability of line managers to understand seven technical concepts about performance, potential and development and at least four different types of conversational skills – each of which have more complex sub-sets."

The search for talent and development are indeed seen as an important task for managers in large companies.

"Development of our people by managers is part of their day-to-day job," says Mark Phillips, human resources vice-president for central Europe at Japan Tobacco International. "We sit down with teams in a region or country to ensure everyone understands the need to release talent. We go to great lengths to explain what it means to develop people and make talent available."

Company leaders at Infosys, the IT outsourcing group based in India, are also aware of the perils managers face, particularly when it comes to feedback.

"There are many, many ways to get leadership development wrong," says Matt Barney, vice-president and director of the Infosys Leadership Institute. "Studies show that one-third of the time, feedback can make things worse and another third of the time it does



Lesley Uren: 'quality conversations'

nothing at all. But look at the thousands of pounds, euros and rupees spent on this."

A study by PA Consulting in 2011 asked organisations what they thought their talented individuals wanted and what they offered them. They also asked talented individuals what they really wanted from their organisations.

There was only 45 per cent alignment between what talented individuals wanted and what their organisations offered them.

Those organisations more aligned to what their talented individuals wanted had a total shareholder return of up to 44 per cent higher than those that were less aligned. "Open, honest and transparent" communication was one of the issues rated most highly as part of an individual's relationship with their organisation.

The four key elements of a balanced conversation are: suspending assump-

tions, listening, inquiry and advocacy, according to "The role of HR in conversations", a PA Consulting report released recently.

Ms Uren believes HR professionals are "missing a trick" in their keenness to get involved with business strategy and should reclaim the ground as experts in conversation and performance dialogue and the lost art of pastoral care.

"HR talks about the need for a seat at the table and it deserves to be a business partner," she says. "At the heart of that, HR needs to prove it can create value and we can prove that spending time on quality conversations does make a substantial contribution to the bottom line. Proven engagement, not a once a year conversation with a line manager, drives performance."

Having a "quality conversation" means focusing on an individual's family, interests and long-term dreams as well as their career – this helps to ensure the organisation has a better understanding of the person and clarifies their career direction.

The HR function of the future should reclaim a role in leading on these quality conversations and should extend its influence to act as the broker to move people around the organisation. This would result in HR returning to its roots as employee champion and trusted adviser. HR experts would feel comfortable in four main roles: a technical professional, employee lobbyist, organisation architect, and business leader.

Ms Uren says a client who worked in the fast-moving consumer goods sector had decided to "throw away the book" to spend more than half her time on one-to-one conversations with individuals about their career and had had 70 meetings so far.

"Not all managers have a natural predisposition to lead," she says. "They wanted to be an accountant or an engineer but ended up leading others and it becomes tough grafting on additional skills."

Primary Benefits + Secondary Benefits + Training & Development + Career Development + Culture Management = Top Employers

www.crfinstitute.com

/CRFINSTITUTE

fortunately I don't need a disguise to make my way up the ladder

my career changes with Orange



At Orange, workplace equality is at the heart of our business strategy. Throughout the world, we are committed to achieving equal pay; ensuring equal representation of women and men in all lines of business; helping women and men access managerial positions and providing a good work-life balance for all.

visit orange.jobs

today changes with  orange™

Employers: Global Best Practice

Culture, values and vision create common purpose

Engagement

Maxine Boersma talks to organisations about their efforts to create a clear 'strategic narrative'

Organisations do not exist in isolation. Their "stakeholders" include local residents, politicians and, of course, employees. Embedding a sense of the purpose of the organisation, its values and its role in the community can mean as much to staff retention as a generous benefits package.

Ruth Colling of Nicholson McBride

business psychologists recalls teaching schoolchildren while at Warburg Bank: "Corporate social responsibility has existed for years. If you work for a company where your values are mirrored in your work, then the sense of 'fit' is better. You understand your role and your sense of purpose."

"This sense defines the culture and vision of the organisation and this is cascaded down so people understand the competencies and behaviours needed to deliver that vision."

Ben Willmott, head of public policy at the Chartered Institute of Personnel and Development, emphasises the importance of companies having a strategic narrative that everybody can

understand: "The issue of culture and values has never had a higher profile as a result of the breakdown in trust in the City, as well as scandals like phone hacking and concerns over the National Health Service."

"Of course, values are only worth more than a passing reference on the company intranet if they actually influence how people behave. Senior leaders need to hold a mirror up to their own behaviour and consider its impact in setting the overarching culture."

CSR programmes include enabling employees to become school governors and reciprocal arrangements between sectors. Barry Cooke of Make Architects

adds that, at interview, architects are attracted by Make's aim of preserving and enhancing the environment as far as possible.

Jane Wood, Dimension Data's European HR head, says executives value such opportunities: "We staged a leadership event for 80 leaders in Munich which involved building bikes for a local orphanage."

According to Lynne Weedall, group HR and strategy director at Carphone Warehouse: "When engaging with employees we stress the 'why?'. Our mission is to make more people's lives better through connected technology."

"Different teams devise bespoke activities which fit this vision. One team chose to run sessions for older

people on how best to use technology. We ask employees to be clear about our purpose and challenge them to bring it to life."

"We brought 1,200 managers together via a live satellite challenge and they transformed a local library into a community 'hub'."

The impact of such community involvement can be measured. Brewer SABMiller sees its businesses as part of the local communities in which it operates. It commissioned research by Professor Ethan Kapstein of Insead Business School that showed that for every person it employs in Uganda, the company's presence supports a further 200 jobs or more in the wider economy.

The company's "Ten Priorities,

One Future" programme defines the environmental, social and economic issues that are most material to its business. Andy Wales, senior vice-president for sustainable development, says: "Our activity is more than local philanthropy. It needs to be aligned to the core business strategy."

"One example is in Colombia, where our local business runs the entrepreneurship programme 'Destapa Futuro', and employees mentor the beneficiaries of the programme."

"In 2011 we measured employee perception among 400 UK staff and found 95 per cent of respondents agreed the company is serious about its responsibility in society."

Companies strive to avoid uniformity

Differentiation

Organisations seek simultaneously to adopt best HR practices while projecting a unique brand. **Sharmila Devi** reports

Human resources professionals could learn a lot from marketing in how to get and keep the loyalty of talented individuals, says David Richardson, managing director of People in Business, an employer brand consultancy.

"Marketeers understand the consumer, how to attract and retain their loyalty, and we in HR need to do the same in the world of work," he says. "It is a lot more complex than the consumer relationship and we don't measure it or quantify it as well but HR should take the opportunity to think as marketers."

Such a move would enable companies to differentiate themselves amid increasingly common best practices that run the risk of making global entities appear uniform as they seek to attract talent.

Mr Richardson says a careful blend of science and art is needed. The science part is making sure a company

has the right elements, such as processes, pay, career development and management. A review could easily spot gaps.

The art involves thinking about people, not processes, he says. "Best practice doesn't always bring out what people feel. For example, a lot of companies talk about innovation and have it in their messaging but do they know what it looks like and how to bring it to life?"

GE, the US manufacturer, focuses on "lean manufacturing", so its people look for opportunities to do things differently at all times, he says. Disney takes a cultural approach, in which people think constantly about how to deliver their "magic". Meanwhile, Channel Four, the TV company, is more about "making trouble", so its brand of innovation centres on creating debate. "Everyone has their own approach to bringing innovation to life," says Mr Richardson.

Cherise Mendoza, Microsoft's human resources leader for West, East and Central Africa and the Indian Ocean islands, says some harmonisation of best practices was necessary for any big company operating on the global market but this needed to be coupled with differentiation to provide competitive edge.

"One of the benefits of being a global company is that so many of our policies, such as talent management and succession planning, are set on a



Art and science: inspiring loyalty is said to involve a mixture of 'the right elements' and 'thinking about people'

Dreamstime

global basis - but we can localise them in specific regions," she says. "In Africa, flexible working has been tested and it's one of the most important factors to our employees so we give them the tools and resources to

work from home."

Other important differentiating factors involve offering a career for the long term and giving opportunities to see the world and experience different markets in one of Microsoft's many global divisions, she says. Meanwhile, feedback, particularly through an annual poll of Microsoft's 95,000 employees, is taken seriously.

Japan Tobacco International, which has about 25,000 employees in more than 120 countries, also says it listens to employees and is heartened by the results. It found in an employee engagement survey conducted last year that 88 per cent would recom-

mend the company to a friend while 94 per cent were willing to make extra effort to help the company succeed.

"The survey proved to us that what's very important is that we listen to our employees and that makes a big difference with other companies," says Iлона Alonso, JTI's HR vice-president for western Europe.

An average of 80 per cent of JTI's leaders are appointed internally and since 2004, the number of international assignments has quadrupled. Ms Alonso says: "One of our strengths is very robust succession planning."

"People are seen as important as brands because brands are created by

people," says Mark Phillips, JTI HR vice-president for central Europe.

Infosys, the IT outsourcing company based in Bangalore, says it aims to set its legacy for the next 100 years through the Infosys Leadership Institute, which focuses on developing more than 800 leaders.

"We are unique, to the best of our knowledge, in focusing on senior leadership through science and our work with academics as we seek to rebrand the company around leadership and around the world, not just India, with a move into consulting and entrepreneurship," says Matt Barney, vice-president and director of the institute.

"We treat our senior leaders like gold medalists and our 330-acre campus is the Taj Mahal of education. We offer psychometrics and a customised portfolio of knowledge based on the latest science on thought leadership. We treat our leaders like a private banker would treat high net worth individuals," he says.

It also tries to be eclectic and fun. A game, "Grandmasters of Influence", seeks to develop the principles of client relevance and ethical influence, says Chitra Sarma, the institute's senior manager for leadership and organisation development. "There are foibles and fun and we've found that the science and practical have blended well together and help leaders to achieve in the real world."

Mr Richardson says the institute is one of several initiatives he has seen in the developing world that aims to foster local talent and leadership.

In more mature markets, as companies cut budgets for training and development, they risk missing an external focus to the company: "If people aren't being sent off to Harvard or wherever, they miss out on making strategic alliances across businesses and industries," he says.



Europe is driven by technology.
Technology is driven by people.
We recruit and retain the best. With certainty.

Europe needs the right skills to get back to growth. Tata Consultancy Services (TCS) is an IT services, consulting and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. Our relentless focus on hiring and retaining the best enables over 350 European organisations to access the world's best-trained technology consultants. Visit www.tcs.com and you're certain to learn more.



IT Services
Business Solutions
Outsourcing

TATA CONSULTANCY SERVICES
Experience certainty.

The value of benefits changes at different stages of life

Employee satisfaction

Maxine Boersma looks at what is on offer to motivate staff - and finds flexibility and bespoke packages are popular

The range of employment benefits on offer is diverse - from life insurance to on-site opticians and reflexology. Yet it is surprising that as the economic downturn continues to bite, the most prized benefits relate to a more flexible work-life balance rather than financial rewards.

Clive Davis, director at recruitment specialist Robert Half UK, agrees that benefits around flexible working are the most desirable: "The ability to work flexibly from home is often valued above a greater salary. Even the option to carry leave days over to the next year is appreciated."

The Chartered Institute of Personnel and Development found in its 2012 Reward Management Survey that flexible working was the most desired employee benefit followed by generous annual leave and training and career development.

Ben Willmott, the CIPD's head of public policy, believes the business case for providing flexible working is clear, with benefits including increased retention, lower levels of absence and higher levels of job satisfaction and engagement.

However, employers also need to ensure managers are equipped with the skills to manage people working flexibly: "The current debate about the need for staff to be visible at work to be truly productive shows flexible working is still viewed with suspicion in some organisations."

"HR leaders need to highlight the business case for providing flexibility where the requirements of the business allow. Managers also need to get better at managing flexible workers - for example, managing performance based on output and contribution and not time spent in the office."

"People need to feel they are being developed at work. Employers tell us training spend will reduce - two-fifths of our survey respondents anticipated

a reduction in learning and development in the next year."

The John Lewis Partnership is famous for its employee partnership model. As co-owners, partners are said to be able to enjoy the benefits of the business's success. In March this year, all partners were awarded a bonus of 17 per cent of their salary - equivalent to nearly nine weeks pay - following strong trading throughout the past financial year.

By being co-owners, partners know that they will directly benefit from their hard work and as a result, the business model helps to increase employee motivation.

Smaller organisations also embrace similar models. At Make Architects everyone is a partner and has a say in ownership so the business cannot be sold without employee approval. The ownership is held by an employee benefit trust which holds the issued share capital of the company.

As Barry Cooke, finance director,

The opportunity for spa membership and 4pm finishes on Fridays is later replaced by the wish for childcare vouchers or the chance to mentor others

explains: "This model gives people a sense of responsibility - the opposite of a culture where people struggle to the top and climb over others on the way. If someone is failing, people rally round. It's not 'dog eat dog', where people stand aside and let them fall."

Make's benefits programme includes private healthcare, childcare vouchers, a cycle to work scheme, generous non-contributory pension scheme and enhanced maternity pay.

Company size can determine the range of benefits. Clive Davis of Robert Half explains that the larger the company, the more likely employees will be able to pick from a menu of benefits. He notes that in mid-sized organisations, offering discounts with leading brands via group purchasing schemes is popular and recalls one person claiming that their family had saved more than £3,000 that year when buying household items and a

holiday through such a scheme.

In terms of financial reward, Mr Davis sees more individual bonus schemes based on performance, rather than the company-wide bonus schemes that were tied to the organisation's performance. Deferred share option schemes and enhanced pension contributions are also common.

However, Richard Pibworth, vice-president of European HR at Samsung Electronics, points out that giving employees the flexibility to enhance life insurance cover to double the standard benefit rate - or more - is also popular. He is witnessing a trend for "financially sound" companies to improve their benefits packages.

Employees tend to value different kinds of benefits more at different life stages. The opportunity for spa membership and 4pm finishes on Fridays is later replaced by the wish for childcare vouchers or the chance to mentor apprentices.

In terms of meeting the wish-list of younger employees, Jane Wood, Dimension Data's European HR head, finds they are less concerned with financial reward and more keen on opportunities for involvement in corporate social responsibility. The company developed a "Head, Heart and Hands" programme, which gives employees the chance to volunteer a day a year, supporting local communities and charities.

The company has also introduced a "Bring Your Own Device" initiative, which enables staff to choose whether to accept a company device or use one of their choice.

Whatever benefits are on offer, Mr Pibworth says employees need to feel they are in control: "The key thing is to make people feel they are empowered by offering a bespoke package," he explains.

"This ability to choose matters more than the range of benefits on offer. The banking, consulting and fast-moving consumer goods sectors have been the most creative in the benefits area so, for us, as the consumer electronics sector grows in significance, we need to meet the expectations of the talent joining us from those areas. Companies should use the technology available to show employees a 'dashboard' of benefits available. Those that do will have a competitive edge."