

WHITE PAPER ON HOW TO RETAIN & MOTIVATE YOUR TALENT RESULTS OF ISR'S ASIA PACIFIC TALENT SURVEY

Executive Summary Talent Engagement is the HR hot topic, with projected changes in population demographics, more discerning potential hires, technology and economics all affecting current and future availability of talented employees with the right training and experience for the job. An area where companies can have a significant advantage is in their ability to attract and retain top talent. Work force practices impact on the factors motivating these employees to work towards the company's goals, put in the extra effort and stay with the company. Much has been written about why talent management practices are important, but what exactly are they; which are most important; and are they the same in different countries across the Asia Pacific Region?

How can you as a manager retain your talent?

ISR, the international research consultancy has just completed an Asia Pacific Regional study looking at the views of talented employees and how to improve their engagement to enhance performance.

The survey suggests that in 4 of the 5 markets the main areas of focus to improve the engagement of your existing talent are Personal & Career Development, Leadership and Brand Image. In Singapore however, brand image was less important with involvement and empowerment being a key driver.

The survey also found that management culture plays a significant part in retaining talent. The majority of talent reporting that they want to leave also report working for organizations where the management style is rigid, bureaucratic, risk avoidant, directive and reactive.

Formal strategies such as Talent management and succession planning ensure talent have strong career development opportunities which synergize with their own personal objectives, as well as training which develops their full potential are critical motivators. Leaders need to demonstrate that decisions are consistent with the values and objectives of the organization, respect for employees and encourage an environment of constant learning. And, finally we cannot underestimate the importance of the Employee Brand.

1. How Engaged are Talent in the region?

Levels of Talent Engagement varied by country reflecting the importance of both cultural and country variations when looking at engagement.

Comparing the percentage of talent scoring favourably on engagement to their respective local country norms Australia and Singapore top the list for talent engagement, being 6 and 7% more favourable than employees in general, whereas in Greater China talented employees respond less favourably than other employees.

Employee Engagement

Whilst there may be many different definitions of Engagement, ISR's recognizes it as multi faceted, comprising three key dimensions:

- Think— a belief in the goals and objectives of the organization
- Feel -being proud of and feeling attached to the organization
- Act -being prepared to put in the extra effort and wanting to stay with the organization

Employees may of course only have positive views about some of these dimensions. Complacent Engagement - keen to stay but less keen to put in extra effort. Disillusioned Engagement is seen with average scores on think and feel, employees want to put in extra effort, but have lower intention to stay, and finally full disengagement is seen with low scores on all 3 dimensions.

Employees are said to be “Fully Engaged” when they express positive views about all three of the dimensions. In other words they believe in the company's goals and objectives, are proud to work there, prepared to put in the extra effort in working to those goals and will stay with the organization. Not surprisingly therefore, engagement has been shown to strongly link to business performance measures such as voluntary turnover, customer service, and return on investment.

Looking at those employees who score highly on all dimensions of engagement, in other words those who are fully engaged, fifty percent of talent in Australia were fully engaged the highest in the region.

This was followed by Malaysia and Singapore where approximately 2/5ths of their work force were fully engaged. Greater China and Thailand showed the lowest levels of fully engaged Talent. In Thailand this is a typical response. In greater China, levels of engagement are usually higher.

At the other end of the spectrum are those employees who are Talent Engagement was disillusioned and fully disengaged, they are looking to leave, and highest in Australia & in the case of the disengaged no longer believe in the company or put in extra effort – ‘talent-at-risk’.

In Malaysia 47% of employees indicate they potentially want to leave their company, whilst 40% are ‘talent-at-risk’ in Singapore. Whilst in Australia/ New Zealand, Greater China and Thailand approximately 30% indicate they may leave. As we might expect the reasons for ‘talent-at-risk’ wanting to leave may vary, from wanting to leave as soon as they can, to others being open to other job offers. In all of the markets the majority of ‘talent-at-risk’ felt that whilst their organizations were good, they were open to offers from other organizations, see figure

2. So why are these talented employees looking to leave their current companies?

ISR found that these employees generally report working for companies with rigid, bureaucratic, risk avoidant, more directive than participative, reactive and short term orientated management cultures.

Management style plays a significant role in intention to leave. As we would expect there are some variations by region. Rigidity of style is more apparent in 'talent-at-risk' in Australia, Greater China, Malaysia and Singapore. 'Talent-at-risk' report high levels of bureaucracy in Australia and Singapore, whilst this is not seen in Thailand (see figure 3). Whilst reports of risk avoidance, directive rather than participative, reactive, and short term oriented culture are universally high in 'talent-at-risk' in all markets.

What motivates Talent to become more engaged?

It has been widely demonstrated in general employee surveys that when it comes to actions there are cultural issues which play a significant role. However amongst Talent we see very similar drivers emerging.

Personal and Career Development is a universal driver of Talent engagement, and is the number 1 driver of talent engagement in all Asian markets. Specifically in terms of companies developing people to their full potential and helping Talent achieve their career objectives.

Leadership is also universally important, being the second lever to press, and in Australia/NZ, Thailand, and Singapore this relates specifically to Leadership and management decisions being consistent with the values and creating a climate of continuous learning.

Company Brand is important drivers of Talent Engagement. For 4 of the 5 markets Company Brand/Image is the remaining driver of Talent Engagement, both the external public branding as well as the Employee Brand being important, supporting the recent drive of many Companies worldwide to establish their own strong employee brands.

In Singapore however, talented employees felt that empowerment was more important, being able to challenge the traditional ways and being able to make decisions about their work.

The study also showed the companies with highly engaged talent were more likely to have formal talent management (Figure 4) and succession planning practices in place, particularly in Australia, Greater China and Singapore, where we see as much as an 8% gap in Talent responses on overall engagement, see figure 5. These gaps were also visible for scores in many other areas measured in the survey, such as perceptions of leadership

1 Strategy & Direction

2 Leadership

3 Supervision

4 Rewards & Recognition

5 Development strategy and direction, rewards and recognition, brand,

6 Customer Focus involvement and empowerment, job satisfaction and

7 Reputation/Brand security.

8 Involvement & Empowerment, Key Drivers Australia & New Zealand Greater China
Thailand Singapore Malaysia

Succession Planning & Talent Management programs are important for improving Talent Engagement

How to improve Talent Retention and Engagement?

The study shows that top talent tend to work for companies with formal succession planning and talent management programs. These companies focus on developing the talent base, using and developing skills to the full potential, and ensuring there is career development plan which meets the employee's personal needs. This focus on strong career development and developing people to their full potential are also driving factors in improving engagement in talented employees.

In addition to these strong talent management practices seen in top performing companies, certain aspects of leadership and employee brand are key drivers of talent Engagement. Many companies are now seeking to build a strong employee brand and it would seem that this is critical in building strong engagement and motivation in top performers.

For many organizations the perennial problem is how to retain those talented staff that is critical what is Employee Brand?

in making success a reality. So finally companies Employment branding is the process of:

- Attracting talented people to your company need to look to their culture, perhaps the most difficult and long term challenge.
- Aligning them with your company's goals and aspirations. Talent tend to be at risk of leaving in companies which are bureaucratic, short term oriented, risk avoidant, directive, reactive and rigid. Whilst instilling
- Leading them in a way which motivates and allows them to perform at their very best

Cultural Change at the Company level is a long term goal

And retaining their commitment and long term goal, there are actions which may be taken contribution during the dark hours and at either the individual leadership level or those difficult times.

the company can do to start the momentum for change and gain quick wins. Creating and embedding an effective Employment Brand gives organizations the For any company to be successful in the face basis on which to succeed and execute against of future work force trends a focus on talent the strategic priorities of the business. The retention and talent motivation is a must.

Employment Brand should also be aligned with the company's external brand.

Action Tips for Managers Development

- Identify training opportunities or work projects which will strengthen and utilize Talents skills
- Discuss with them their career development and expectations as well the job competencies required

- Provide special opportunities for Talent to gain new competencies and experience
- Consider implementing formal succession planning Management Style
- Spend time identifying low priority/ unnecessary work with the aim of removing or reducing it.
- Allow failure of ideas amongst your employees, consider initiatives such as staff suggestions schemes.
- At your next meeting allow time to explain and discuss how the current activities fit with long term company goals
- Listen to ideas from employees, and provide feedback, show you are listening and value their input
- Allow employees more freedom in managing their workload, ask for input when assigning new work Leadership
- Communicate the company goals and objectives. Discuss how local workplace actions, decisions and goals relate to the broader picture
- Get feedback from Talent if you are considering making changes which affect them
- Be aware you need to be consistent with “what you say” and “what you do”
- Encourage an environment of constant learning by looking beyond training to best practice, information share and education Brand
- Ensure there is alignment between the Employment Brand the strategy, values, leadership behaviours, culture and external or product brand of the organization
- Create clear and consistent internal messaging which reinforces the employment brand within your own team

About the Survey

The survey was conducted in 6 of the largest regional economies: Australia/New Zealand, Greater China, Malaysia, Singapore and Thailand. The study involved more than 3000 employees from 120 different companies, representing a broad spectrum of industries.

Talented employees were asked to complete a short online survey that measured their perceptions on topics such as Strategy & Direction, Leadership, Development, Reputation & Brand, Job satisfaction & Security and Engagement.

Most of those who responded were in managers, supervisors; professional, technical, administrative and other roles also took part. The majority of the survey respondents were 25-44 years of age.

ISR is the world's premier global research and consulting firm specializing in the creation of customized employee and management opinion surveys and other tools helping organizations improve human capital performance. For more than 30 years, ISR has provided many of the world's largest and most successful firms with the workforce intelligence to retain key talent, improve employee engagement, increase productivity, enhance customer satisfaction, and increase shareholder value.

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