

EXECUTIVE INSIGHTS

Written by Vincent Gauthier



DEVELOPING LEADERS IN THE ASIAN BUSINESS LANDSCAPE
Week 5: Understanding talent expectations

Identify top performers and find what they need to keep them motivated so they do not leap aboard the jobs roundabout

Keeping top talent inspired

Motivated workers feel happier and generally are more inclined to make the extra effort in their daily work activities. A workforce of productive employees will probably outperform companies with apathetic workers.

There is also an added bonus in that happy potential leaders are less likely to leave an organisation.

A Hewitt Associates analysis of 1,000 large companies and 20 million employees around the world showed that companies which actively managed talent at the top of the corporate ladder reaped performance benefits.

A 10-point increase in an average Fortune 500 company's talent quotient score, an index measuring how well talent is managed, will add between US\$70 million and US\$160 million to the firm's bottom line over the next two to three years.

This is why it is important for companies to understand how to identify high-potential employees and make sure that they feel valued by the organisation.

But what motivates high-potential talent? How can companies harness this talent and ensure that the top people stay?

A study by Hewitt Associates – last year's Talent Pulse study – surveyed 534 high-potential talent and 213 direct managers from Fortune 500 companies and found the following drivers as motivators:

- Top people want work that stretches their intellect and fulfils their desire for challenge. They thrive in stimulating settings where they are forced to think critically and creatively, and question the status quo. Companies that provide high-potential talent the opportunity to stretch themselves this way will be better positioned to attract and retain those staff.

- Top performing employees ranked total compensation as the second most critical driver that motivated them. Our research showed that good workers believed they should be paid more because they had earned it. This contrasts with many previous studies that suggested compensation was not a strong driver. It is increasingly common to provide high-potential talent in North America and Europe with higher reward opportunities. In some companies, high-potential employees are simply paid more, while in others they have access to special programmes or bonuses.

- Promising employees expressed a desire to excel and be promoted to more senior roles with greater responsibilities. "I am an achievement-oriented individual and I need to feel like I am excelling, moving upwards and growing... moving sideways doesn't do it for me," said one employee. Increasingly top talent want to know what opportunities are available to them and what they must accomplish to access those opportunities.

Take away my 20 best people and virtually overnight, Microsoft becomes a mediocre company

Bill Gates
Co-founder and chairman
Microsoft

- Work-life balance includes the number of hours worked on a weekly basis, the amount of travel required, the extent of sacrifice of personal life for professional success and the degree of flexibility they are offered in how and when their work gets done. One of the most common complaints I hear from high-potential executives in Asia is that their companies require them to travel on weekends for Monday morning meetings. This is seen as taking precious time away from important weekend family activities.

- Meaningful work that adds value to the organisation is also important to high-potentials. They want to understand how their contribution is making a difference to the business. Top employees want to be a part of work that is significant to the larger organisation and to understand how their work contributes to the success of the business, customers and the bottom line. Asking high-potential employees to do meaningless work is one of the fastest ways to have them reach out for that friendly executive search firm.

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Actual vs perceived motivators

	High potentials	Percentages*	Managers	Percentages*
1	The nature of work (loving what you do)	53	The nature of work (loving what you do)	49
2	Intellectual stimulation/challenging work	44	Being noticed, appreciated and valued for my contributions	45
3	Work-life balance	31	Intellectual stimulation/challenging work	39
4	Monetary reward and recognition	30	Monetary reward and recognition	37
5	Ability to influence or make an impact on others	29	Opportunity for career advancement	29

* Percentages reflect total items ranked 1, 2 or 3

- High-potentials want to be associated with an organisation that holds honesty and integrity high on its list of core values, principles and priorities. They are increasingly interested in the organisation's corporate social responsibility programmes and how they, along with their organisations, can contribute to society.

There are also several factors that demotivate talent. Hewitt's study showed that lack of opportunities for advancement, low total compensation, organisational bureaucracy and lack of empowerment were the biggest factors that demotivated high-potential talent.

Once organisations know what motivates high-potentials they need to put in place a robust system to identify talent. This will usually be based on clear measures of performance and how a certain employee is expected to perform in the near future.

Next comes the building of tools to attract, retain and motivate high-potential workers. Probably the most useful tool is for organisations to place high-potential talent on rotational assignments, either to different countries or to other departments in the organisation. It is also typical to have high-potentials on important projects for the organisation.

Potential leaders in Asia are often on special in-house training programmes or are sent to business schools for programmes specifically designed to help them acquire targeted skills and knowledge.

It should be made clear, and a policy established, that promotions will be based solely on merit rather than seniority.

It is sad to note that in many Asian organisations there is still a tendency to advance careers based on seniority more than merit. This is highly demotivating to over-achieving employees who expect to progress quickly based on their contributions and ability to get the job done.

The best organisations adjust their career progression frameworks to ensure that promotions are based on merit and given to those with the right

Four-step approach to managing top talent

- 1 **Identify top talent.** The organisation needs to develop a clear criteria to determine if employees are performing well in their present job, and if they have the ability to perform well in the next job.
- 2 **Understand what top talent wants.** The organisation may want to conduct a written survey or gather high-potential employees in focus groups to determine what would keep them highly engaged. This could be supplemented by reviewing management literature on the topic.
- 3 **Develop the programmes and systems to meet the needs of high-potential talent.** The organisation needs to develop the programmes to motivate top talent. Job assignments, rotational opportunities, career management, learning and development, and total remuneration should all be reviewed.
- 4 **Monitor high-potential programmes and development.** The organisation needs to follow carefully the progress of the high-potential employees in the organisation. What is the current situation for each of them? Are they in assignments that allow them to stretch their intellectual muscles? How are they being developed? Is their reward competitive? The greatest companies have dedicated people solely responsible for monitoring high-potential employees and ensuring that they are doing fine.

competencies, skills and knowledge to get the job done.

High-fliers believe they contribute more and feel they should be paid more. Sending clear messages through pay in the highly competitive talent landscape of Asia is one way to ensure higher retention of key talent.

Organisations should monitor pay for their high-potentials to ensure that it is differentiated internally and externally.

The shortage of good talent is an issue for almost all organisations in Asia. Developing strategies to retain top talent requires that firms first understand what motivates their top performers and then putting the programmes in place to ensure that they thrive in the workplace.

Vincent Gauthier is managing consultant at Hewitt Associates, a global human resources consulting and outsourcing company

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HR Trends

Written by Elizabeth Horscroft

Shared values help ensure staff retention

Emphasising shared values helps retain staff who are looking for fulfillment beyond financial reward. Values – corporate or personal – are vital because they drive behaviour, attitudes and motivation, and define what is right, good or desirable.

While communicating a brand's values to consumers can help sell products, it is equally important to have a workforce that believes in and stands behind the brand.

Companies should define their values and communicate them to their employees at the earliest stage to ensure that they stay with the company.

This employer-employee value partnership at insurance company AXA begins at the interview stage, according to Ellen So, head of human resources.

Getting there

- **Communication** company's values should be communicated to candidates during the interview process to aid recruitment

- **Connection** existing staff should have opportunities to develop a personal connection to the company's values and a shared goal

- **Commitment** alignment between personal and company values fosters commitment and can lead to increased staff retention

- **Contribution** employees contribute to the company's goals while the company supports employees' personal aims. The agreement is tied to the performance management process

She directs her interviewers to inform candidates about how the company's values improve the working environment and enable AXA to sustain business growth. "I also encourage potential employees to learn more about the guiding principles that define the kind of employer we aspire to be and the kind of employment experience we strive to provide.

"This enables candidates to contemplate a long-term career with AXA instead of simply focusing on short-term remuneration," said Ms So, who felt a work environment must enable employees to adhere to the basic convictions that underlie what was important to them and motivated them in their work. "There must be an alignment between company and personal values or the partnership will not be happy and mutually fulfilling."

An "employee value proposition" has been developed to help portray the company's vision, values and goals to employees. The programme aims to connect the organisation to these common targets through day-to-day functions.

"The primary aim is to move away from the 'It's just a job' mindset to a more personal connection to a shared goal," she said.

The values AXA communicates to prospective and existing employees are professionalism, innovation, pragmatism, team spirit and integrity. Employees are expected to live up to their side of the bargain by performing to high standards, delivering on commitments, respecting others and sharing information.

"Ultimately, they must excel, learn and act in line with AXA values," she said.

Building collective success around a satisfying relationship between the company and staff is at the heart of the programme. In this relationship, employees vow to contribute to the company goal, while management promises to provide sufficient support to enable employees to fulfil their personal aims. This joint agreement is integrated into the performance management process sealing the deal for both sides.

Ms So found that in promoting values through the EVP staff members' daily efforts had a deeper meaning and created an emotional bond with the company to foster commitment.



Ellen So seeks a loyal, fulfilled workforce. Photo: Edward Wong

QuickFixes

What is the importance of working as a team in fostering a positive environment?

The aim of any team is to work towards a result. Performance is linked to how well a unit is working towards a common goal.

By forming teams within a company or organisation, you help to break down cultural and personal barriers, things that could get in the way of achieving goals.

Foster a positive spirit by praising your team when appropriate, especially when everything is running to plan. Acknowledge team contributions with some kind of reward scheme. This would motivate staff to make greater efforts and ensure long-term success.

Team size is important. The ideal team size is between five and 12 members; teams of up to two to four members may lack the room for creativity, while those of more than 12 members run a high risk of conflict and splitting into sub-groups.

Harmony in a team depends on how the team members interact. A good team manager will encourage a creative environment that allows team members to make a positive contribution.

Team members should be positive-minded. Negative energy is contagious and easily conveyed to the others. There should be mutual trust and everyone should work cohesively.

Scientific tools, such as the Myers-Briggs Type Indicator, and other personality tests can be used for team building. This model gives insights into how people process information, make decisions and organise their lives. These tools help to foster understanding between people and suggest how individuals are likely to behave in certain situations or react to certain types of information.

Social activities help a team to bond; activities could centre on dining, sports and drinks after work.

Quizzing team members about themselves might produce interesting facts and highlight individual strengths.

Article contributed by Ellis Seder, IT & T manager on behalf of Hudson, which delivers specialised professional recruiting, outsourcing and human resource solutions worldwide

On the Web Classified Post is hosting a readers' seminar Taking the Lead in which leadership experts and prominent business figures will share their insights into what makes a successful leader. **Date** Monday, July 16. **Time** 6.30-9.30pm. **Venue** Room 601, Hong Kong Convention and Exhibition Centre. **Speakers** Dr Gilbert Wong Yao-ye, executive director of the Poon Kam Kai Institute of Management, University of Hong Kong; Viveca Chan, founder of We Worldwide Partners; Winne Lau, managing director, Pret A Manger Hong Kong; Charleston Sin, general manager, Hong Kong and Macau, Cisco. For registration, log on to www.classifiedpost.com, click "events" then "jobseeker". The seminar will be in Cantonese.