

REVIEW 2011

talenttoolbox

the innovative people solution



TRANSFORM

YOUR ORGANISATION

Without a doubt, people make or break a business – they are the reason an organisation stands out from the crowd, they help achieve annual targets and also drive business growth. And it is because of this people-savvy organisations across the world invest in talent management strategies – ensuring they can attract, develop, engage and retain the people needed to achieve success.

The 2011 CIPD Talent Planning Survey found that more businesses will be focusing on developing talent in-house, retaining rather than recruiting, as a result of cost reductions.

We support organisations in fulfilling their people strategies. Ten years ago, we came up with a new way to make joined up talent management simple; learnpurple's talent toolbox™. Fast forward to 2011 and we have evolved a comprehensive family of solutions – tt², tt³, tt¹⁰⁰ and q-box – each of which offer a best practice approach for a wide variety of organisations.

With uncertainty around the economic climate remaining, it still is very much the 'survival of the fittest'. The organisations who are keeping their heads above the water, posting profits and making the Sunday Times Top 100 Best Places to Work lists are the ones who take a people-centric approach – making it part of their culture. Now is the time to really focus on people. Making sure the right talent is in the right roles, doing the right things; organisations will experience enhanced working environments which will have a significant impact on the bottom line.

"People who are happy, progressing on a daily basis and working towards their potential will be more inspired, motivated, engaged and productive; therefore more profitable and will stay with you longer."

Jane Sunley, CEO of learnpurple and author of people bible 'Purple Your People – the secrets to inspired, happy, more profitable people'



2011 BENCHMARKING FIGURES

Completion

The percentage of people that have had a recorded appraisal / review meeting with actions defined.

– *Despite economic conditions, high numbers of employees are still receiving recorded performance appraisal / reviews – highlighting that this remains a top priority for most organisations*

2011	2010	2009	2008	2007
87%	89%	86%	90%	87%

Happiness

The happiness of employees is a great indicator as to the 'health' of an organisation, site or department. Individuals rate how happy they are in their job on a scale of 1 (really unhappy) to 10 (extremely happy).

Having access to these figures can encourage an in-depth discussion between teams and individuals, allowing employers to ask 'what would make it 10'

– *There was a sharp dip between 2008 and 2009; the steadily increasing percentages of people scoring 8 – 10 on the happiness scale are a positive indicator of improved satisfaction. There's still a way to go...*

2011	2010	2009	2008	2007
57%	55%	53%	75%	75%

"Being positive is crucial for creating a happy workplace. Indeed being positive and supportive of people is the key requirement here."

Henry Stewart, CEO of award-winning employer, Happy

Learning & development needs

Each individual has different learning requirements and learning style and progress is a top motivator. It's therefore important to remember that there are now many low-cost, no-cost development methods – learning no longer revolves around the classroom.

– *For the last four years hard skills such as IT and health and safety have strongly ranked as the top development needs. In 2011 health and safety has moved out of the listing in favour of leadership skills – reflecting the challenges of managing in this climate. Personal development ranks second, highlighting the increasing importance given to developing the self, in particular the emergence of generation Y in the workforce.*

2011	2010	2009	2008	2007
Management skills	IT	IT	IT	IT
Personal development	Health & safety	Health & safety	Complaint handling	Complaint handling
IT	Budget/finance	Other	Health & safety	Health & safety

"We have seen L&D being prioritised more in the recent recession than in previous ones. We are also seeing a strong bounce-back from firms recognising that investing in skills is the best way of capitalising on recovery."

John McGurk, learning and talent adviser, CIPD

Challenges

This section encourages employees to highlight anything they have found challenging or difficult over the last year. The reasons for this are:

- From an equality of opportunity and support point of view
- Anything which may be impeding their progress can be discussed on record
- Organisations can benchmark year on year and identify areas where there are more challenges, taking action as appropriate

– *The overall number of issues appear to be declining in 2011, though this may be indicative of the fact that employees can be more tolerant in tough times. However the proportion which could have been avoided has increased. Clear and effective communication is essential, as are adult to adult relationships between line managers and their people.*

Experienced challenges?

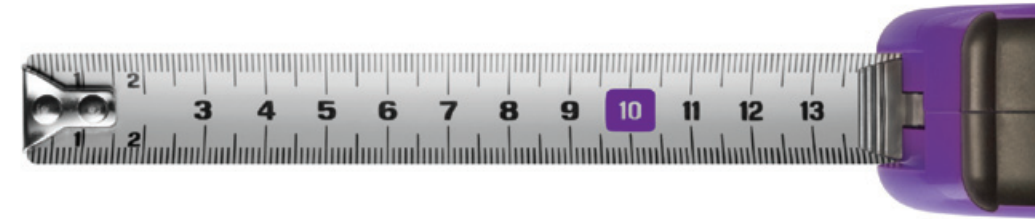
2011	2010	2009	2008	2007
39%	41%	53%	42%	46%

Could these have been avoided?

2011	2010	2009	2008	2007
38%	32%	43%	60%	60%



2011 BENCHMARKING FIGURES



Risk analysis

Risk analysis is created by combining key talent toolbox indicators to evaluate the possibility of an individual leaving the organisation. Having clear access to this information allows employers to take a proactive approach; rectifying any issues.

– The number of high risk individuals has decreased by more than 50%, with slight increases for those at medium and low risk. Whilst this appears positive, it's important to consider that some people will be remaining in their roles as the difficult climate and job seeking environment remains. Employers should be conscious of this and prepare for larger levels of risk when the economy stabilises.

High / Medium / Low

2011	2010	2009	2008	2007
3%	7%	6%	9%	4%
41%	38%	31%	58%	58%
56%	55%	63%	33%	38%

"Almost 6.5 million (23%) UK employees are looking to change employer in the next year."

GfK International Employee Engagement Study 2011

How the company is performing as perceived by the individual

There are a number of benefits to capturing data regarding how an individual perceives a company as it:

- Adds to the quality of the one to one meeting
- Makes for a more equal and two-way exchange
- Saves investment on separate surveys
- Allows the leadership team to understand how people think and feel without having to run a separate employee survey
- Produces 'quick wins' - outcomes and actions taken can easily be publicised to the organisation
- Saves time as people carry out all functions in one instance
- Makes people feel valued and consulted i.e. not just 'performance managed'

Worryingly this figure is yet to climb back to the pre-recessions highs of 82 – 86%. The unsettled environment, with some organisations needing to make difficult decisions in terms of its people could be a reason, however we believe a distinct lack of trust amongst employees remains as the main issue here.

2011	2010	2009	2008	2007
51%	50%	50%	82%	86%

Company strengths as perceived by employees

The 2011 outcomes show how important brand and brand values continue to be to the employee.

2011

Company image / branding
Products and services
Colleagues

2010

Your colleagues
Products and services
Company image/branding

2009

Company image/branding
Your colleagues
Company has exciting challenges

2008

Product and services
Exciting challenges
Company image

2007

Company image
Product and services
Industry leader

Company improvements as perceived by the employee

For the first time, work-life balance (WLB) has appeared in the top three areas for improvement. This could be due to increased number of generation Ys in the workforce for whom WLB is a priority. Also it may be that after three years of 'going the extra mile' for their employers in difficult and challenging times, they'd like to return to normality.

2011

Pay / benefits
Communication
Work-life balance

2010

Communication
Pay and benefits
IT provision

2009

Pay and benefits
Communication
Other

2008

Pay and benefits
Communication
The hours worked

2007

Policies
Pay and benefits
IT provisions

HOSPITALITY COMPARED WITH OTHER INDUSTRIES

As per previous years, we include a section which compares the statistics from those in the hospitality sector with those from other industries.

In this year's report, 50% of user responses were from the hospitality sector (75% in 2010) which reflects the more diverse spread of the talent toolbox user organisations.

Company strengths

Hospitality 2011 (2010 in brackets)

- 1) Company image/branding (our products and services)
- 2) Our products and services (company image and branding)
- 3) Learning and development (colleagues)

Non-hospitality 2011 (2010 in brackets)

- 1) Company has exciting challenges (colleagues)
- 2) Colleagues (products and services)
- 3) Relationship with manager (industry leader)

This year the top strengths for hospitality and non-hospitality clients are very different. It is interesting to see that company image has moved into the top position for the hospitality industry – perhaps a result of the country preparing for the 2012 Olympics. It's also encouraging to see learning and development moving back into the list indicating this sector is again focusing on creating service excellence as well as developing its people.

For those outside of hospitality, including retail, construction, banking, logistics and the third sector, exciting challenges is the number one strength. The economic climate remains difficult for many, with organisations having to tackle this head on and

uncover new, effective ways of working. It's also great to see that the relationship with leadership is viewed as a key strength, with 'colleagues' also remaining high on the list – both of these are crucial for success.

Company improvements

Hospitality 2011 (2010 in brackets)

- 1) Pay and benefits (pay and benefits)
- 2) Communication (communication)
- 3) Work-life balance (the hours worked)

Non-Hospitality 2011 (2010 in brackets)

- 1) Communication (communication)
- 2) Pay and benefits (pay and benefits)
- 3) IT Provision (IT provision)

This year the results remain almost unchanged from 2010; perhaps an indicator that employers have not placed a priority on putting in place improvements having shifted their efforts into survival. However there are many quick wins that can make a difference and it's always important to communicate why more significant change cannot be brought about.

Within the hospitality industry, it is well known that pay, benefits and work-life balance are not as great as other sectors therefore these suggested improvements are to be as expected. Economic pressure is also a reason pay and benefits remains top for all industries. Many people are working harder and longer than before, taking on additional challenges and projects, for no change in the pay/benefits they are receiving.

Communications is often cited as an improvement area because it is something which can always be made better. Making use of employee opinion surveys, team and individual meetings as well as company newsletters can help create a greater level of effective communication. However, if you do encourage active two-way communication (which you really should be), ensure that your people know you are listening by actioning appropriate suggestions and solutions; being honest about the reasons why things can or cannot be changed.

IT provision remains in the list for non-hospitality clients. Signifies again how important technology has become for UK business, especially for those organisations where many are not desk bound, or those who encourage more flexible and remote working.

Challenges experienced 2011, 2010, 2009

Hospitality: 58%, 48%, 58%

Non-hospitality: 51%, 56%, 48%

For businesses within the hospitality sector, it appears things are not improving in terms of challenges people are facing, with a return to 58%. This could be as a result of the threat of a double dip recession in 2011 causing customers to spend in moderation therefore impacting profitability in this sector. Also changes to business as a result of the recession may be proving difficult.

Encouragingly for non-hospitality, those who experienced difficulties is steadily decreasing after the rise in 2010 suggesting more support is being offered to those experiencing difficulties and solutions are being put in place.

Company performance 2011, 2010, 2009

Hospitality: 52%, 46%, 58%

Non-hospitality: 47%, 47%, 39%

This looks at how employees perceive a business is performing as affecting its people. The figure for non-hospitality remains constant. However this suggests these industries are still not meeting the needs of more than half of their employees – this is an area for improvement particularly as it will impact employee engagement, with a knock on effect of reduced motivation, productivity and the danger that employees could already be looking elsewhere for employment.

It's good to see the hospitality industry figure has increased after a dip last year. As with non-hospitality however, just less than half are seeing their wants and needs met and so hospitality faces the same risks.

Happiness 2011, 2010, 2009

Hospitality: 60%, 57%, 57%

Non-hospitality: 54%, 51%, 52%

Whilst there is not much between the two, again hospitality comes top in terms of employee happiness.





OUR TAKE

Why people-centricity is a must for business success

Business success, what does it actually mean? Is it a high turnover with incremental profit year on year; is it the value of the business; or is it also about how an organisation is viewed in the marketplace? Perhaps a great reputation as the 'place to work', attracting talented individuals who drive and support the business to achieve goals, make money and achieve the required results.

We believe it lies in three things:

- **Ideas** – innovations which are easily marketable, upon which a brand can be built and needs of clients are met
- **Investment** – capital to get you off the ground and establish your presence in the market place, as well as working capital – the lifeblood of any business
- **Individuals** – the right people, in the right roles, delivering innovative solutions and excellent service

A recent survey from Taleo stated that up to 70% of a company's value is tied up in the skills and experience of its people.¹

So why is it that this vital link in the chain to success is so often overlooked? Ideas and investment are discussed on a daily basis yet conversations about individuals and harnessing the talents of these people can be left behind.

This year we asked these questions to an exclusive panel of 40 leaders taken from our 'Purple Revolutionaries' and networks associated with Cranfield Business School and Lancaster Management University. Here's what they told us:

- 100% of business leaders say you need a people plan
- 98% say developing people is vital
- 90% are convinced people create competitive advantage
- 86% admit to having no consistent plan
- 85% say managing the development of people to support business growth is a challenge
- 70% cite finance and time as barriers
- And a third don't have a plan at all

It's plain to see that business leaders recognise their people play a vital role and can significantly impact the bottom line. However there's a clear gap between those understanding this and those who are actually putting in place plans to support business growth and success through their people.

2011 TALENT MANAGEMENT THE STATS

To bridge this gap organisations need to become 'people-centric' – putting their people and development at the heart of its business strategy. And this is where a joined up talent management strategy can play a crucial role.

In order to place people at the centre of the organisation it's necessary to understand everything about them – who are they, what role they fulfil, what skills they possess, their aspirations – only then is it possible to truly establish a people culture and feed this into everything the business does.

Excellent links of communication are vital to this process; a factor which our 2011 benchmarking report has highlighted as an improvement area for businesses. And this is not surprising when a new survey from Monster has shown that three quarters of employees do not feel their opinions matter at work. Regular team and one-to-one meetings, as well as an annual employee opinion survey can all help improve this area. The father of listening, Dr Ralph Nichols, famously once said "the most basic of all human needs is the need to understand and be understood. The best way to understand people is to listen to them." By meeting that basic need, organisations are firmly on the road to becoming people-centric.

Listening means that action must be taken. Imagine if it could be as simple as clicking a button and in a flash accessing key people data and reports which clearly state risks of leaving, succession planning, happiness of the workforce and what could be improved... With an online talent management system it can be. 91% of businesses want information on the skills gaps in their organisations, however only 55% have it.² Now is the time for this figure to increase, it is no longer acceptable to be in the dark about the people stuff.

And with personal development making the talent toolbox employee needs list for the first time; a focus on individual learning is required. However, since the CIPD suggests learning and development (L&D) budgets are to remain tight, in many cases a decrease in funding, how can an organisation fulfill this people need? Through a talent management system you can easily identify skills gaps and put in place targeted learning, rather than taking an expensive blanket approach. There are also many low cost / no cost methods which people miss out on but can make an incredible impact. Think about and implement mentoring schemes, job swap projects, self-study and shadowing.

People-centricity, of course, does not happen overnight and nor would we expect it to. It does take time, focus and resource, all of which we know from our research require effort and commitment. However the return far outweighs the investment; therefore we encourage you to consider some of the elements mentioned, steadily make small changes to help the whole organisation become more focused on the people and their development. We know that the benefits of an inspired and developing workforce who have the right skills, cultural fit and value beliefs will undoubtedly help achieve business success in challenging times and beyond.

To read a summary of the 'Harnessing Talent for Business Success' report visit www.learnpurple.com/free_stuff/reports

¹ Developing talent intelligence to boost business performance, Taleo report 2011
² Taleo Talent Intelligence Report, 2010

70%

Up to 70% of a company's value is tied up in the skills and experience of its employees, however all too often businesses have no idea how to harness this for positive effect¹

25%

1/4 of private sector businesses fill job vacancies internally, with almost half (45%) of public sector organisations doing the same³

57%

Addressing skill gaps for critical roles (57%) and building an internal pipeline of leaders (55%) topped the list of talent management priorities²

50%

Half of organisations with talent management activities rate them as effective⁴

39%

39% of businesses have implemented an employee survey in the last year to help improve employer brand³

16%

Only 16% of private sector organisations expect an increase in learning and talent development funding over the next 12 months⁴

¹ Developing talent intelligence to boost business performance, Taleo report 2011
² 2011 Global Talent Management, Global Novations
³ CIPD Resource and Talent Planning survey 2011
⁴ CIPD Learning and Talent Development survey 2011

WHAT'S NEW?

The talent toolbox family of solutions with improved user interface...



A plug and go system for organisations with less than 100 people



The ever popular, best practice system with dedicated support; choose content from our innovative 'toolbox' and customise (can include 360° feedback)



The completely flexible, bespoke people solution with dedicated support



Employee opinion surveys made simple and cool

And introducing...

Purple your People: the secrets to inspired, happy, more profitable people

learnpurple's first book is a practical, fun and easy to digest guide to the 'people stuff'. The book walks through the employee lifecycle from attraction and selection, through to performance, development and exit. Buy your copy from Amazon now!



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