



talent toolbox Review 2008



Talent management

Is a business process that emerged in the 1990s and continues to be more and more widely adopted, as more companies come to realise that their employees' talents and skills drive their business success. These companies need to develop plans and processes to track and manage their employee talent, including the following:

- Attracting and recruiting qualified candidates with competitive backgrounds
- Managing and defining competitive salaries
- Training and development opportunities
- Performance management processes
- Retention programs
- Promotion and transitioning

Companies that are engaged in talent management are strategic and deliberate in how they source, attract, select, train, develop, retain, promote, and move employees through the organisation.

talent toolbox was founded in April 2005 in response to the need to assist service organisations to become 'a great place to work' and thus deal with a variety of challenges around talent management.

talent toolbox

talent toolbox helps both large and small organisations to engage, develop and retain the talent they need to prosper.

It's a managed software service which improves communication, helps manage performance and individual aspirations as well as providing a robust check on the health of a business in terms of its people, providing essential management data.

It also gives out a strong message: 'we care about our people and what they think, feel and aspire to'.

As pressures on time and resources escalate, it is increasingly more difficult to recruit, engage, develop and retain top talent. And in challenging markets, maintaining a motivated and highly productive workforce provides an additional focus. Any service organisation in the 21st century needs to have the required talent management systems firmly in place to ensure that people issues cannot hamper results. talent toolbox provides structure for these functions and some creative and original thinking on delivery methods. Our offer is unique because it is service driven, highly flexible, simple yet extremely robust.



This report:

This report collates data from 8500 participants in the talent toolbox appraisal and review function. Their organisations are looking to:

- Improve two way ongoing communication and consultation
- Make use of the strengths of each individual and performance manage as appropriate
- Retain and motivate employees
- Increase productivity
- Reduce labour turnover
- Know how employees are feeling about their roles
- Have access to 100% accurate training needs analysis
- Make sure each employee has an accessible, ongoing personal development plan
- Know how each employee feels about their company and what actions can be taken towards continuous improvement
- Make development and career path bottom up not top down
- Increase employee satisfaction
- Make sure people feel valued and treated as an individual
-

Participants work in the following industries:

- Asset management
- Construction
- Facilities Management
- Hospitality – hotels (five star, boutique, popular chain), high street and high end restaurants, private clubs, contract catering
- Logistics
- Quality Assurance
- Retail

The report includes UK only, it does not include our European and US clients.

We took the decision not to split the outcomes by sector because the hospitality industry currently makes up almost 70% of the data. However, as this becomes more balanced in future, we will segment the reporting further.

learnpurple would like to thank all of the talent toolbox clients who have allowed their data to be used. As this has been done on a strictly anonymous basis, they are not named within this report. We hope that it will provide you with a valuable benchmarking tool.

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Completion

'Completion' refers to the percentage of a client's employees that complete all stages of their talent toolbox review / appraisal ie planning, face to face meeting, recording outcomes and employee sign off.

- Our first benchmarking report in 2005 showed clients to have completion average of 85%.
- During 2006 – 2007, talent toolbox had a completion average of 87%.
- In 2007 – 2008, talent toolbox completion has an average of 90%.

The steady rise of completion rates is significant. Organisations using talent toolbox for their second and third year are achieving increased engagement with the appraisal and review process from their employees. However, new user organisations are also registering a higher completion rate when compared against previous averages, suggesting that the continuously evolving talent toolbox appraisal and review modules are, in themselves becoming more engaging.



Career development

There are several sets of interesting statistics pertaining to career development.

A) In 2007, up to 82% of employees using talent toolbox felt that they had a clearly defined career path. In 2008 the figure has increased slightly to 87%. Interestingly almost all of the remainder are happy as they are ie do not require a career path. Those that do, won't always require an upward move. This means the 'career web', whereby people can move multi-laterally, becomes more significant than the traditional 'career ladder'. This highlights the importance of finding out exactly what individual aspirations are rather than making assumptions about traditional paths.

B) The following table indicates when an organisation's employees feel that they would wish to 'move on'.

	Range	2005 Average	2007 Average	2008 Average
Overdue a move	0% - 10%	4%	6%	8%
Ready	17% - 24%	17%	23%	20%
In 6 months	18% - 46%	26%	26%	22%
In one year	12% - 41%	25%	27%	31%
One year or more	24% - 48%	28%	28%	19%

Figures for all three years are very similar – but there are two significant trends. The 'overdue a move' bracket has shown a steady increase year on year. This may reflect the ever increasing impatience for progression shown by the X and Y generations. talent toolbox is helping to identify those people who are eager for a new challenge, which will be a significant factor in fulfilling and retaining ambitious members of the workforce.

The other notable trend lies in the 'in one year' bracket, where there has also been a steady increase. This would indicate that people are more content in their current roles or now have a more structured career path.

C) The following table indicates what an organisation's employees would like 'to do next'.

	Range	2005 Average	2007 Average	2008 Average
Stay as is	24% - 58%	41%	43%	43%
Similar role	18% - 49%	34%	32%	28%
New role	11% - 37%	17%	18%	20%
Change company	0% - 6%	3%	3%	6%
Leave industry	0% - 9%	5%	4%	3%
Leave industry	0% - 9%	5%	4%	3%

These figures highlight the fluid nature that people's careers are taking. People don't necessarily want to move up or even leave, but to find the best place for themselves within a particular company, with 48% wanting to move to a similar or new role within the same company.

Training needs analysis

A) talent toolbox collates 'training needs analysis' reports the instant data is submitted.

- In 2005, at least 46% and as many as 79% of respondents per company had received training since their last review / appraisal.
- In 2007, at least 49% and as many as 83% of respondents per company had received training since their last review / appraisal.
- In 2008, at least 42% and as many as 89% of respondents per company had received training since their last review / appraisal.

Outcomes for 2008 are indicative of two contrasting influences on the data. The decreasing, low range figure of 42% occurs because employees from a host of new clients (utilising talent toolbox for the first time), have often not had training since their last review/appraisal. However, the higher figure of 89% (an increase on previous years) is largely down to second and third year clients whose use of talent toolbox has helped them to implement more frequent and well targeted training for employees.

B) In both 2005 and 2007, the five most requested training needs were the same:

1. IT
2. Complaint Handling
3. Health and Safety
4. Customer care
5. Management / leaderships skills

However, in 2008, there has been a slight change to requested training needs, the top five being:

1. IT
2. Complaint Handling
3. Health and Safety
4. Customer care
5. Industry knowledge / financial skills

Management / leadership skills has been replaced by industry knowledge / financial skills at number five (although the former came in a close sixth). It is apparent that people are looking to develop a broader skills base in the hope of having greater job mobility. Training and development is wanted in areas that are not only going to help within current roles, but for future and personal development too. In combination with the career development results, this would confirm that many people are happier to stay in the same role as long as they are able to try new things or develop their skills.



Own and company performance

talent toolbox examines some basic metrics, for example, 'a happy scale'

A) Respondents are asked to register how 'happy' they are in their job (where a score of 1 is very unhappy and 10 is exceedingly happy). Clients of talent toolbox have registered the following figures:

	Range (2008)	2005 Average	2007 Average	2008 Average
8-10	80% - 50%	67%	75%	75%
4-7	55% - 16%	25%	23%	18%
1-3	12% - 0%	8%	2%	7%

So 'happiness' appears to be relatively stable
It will be interesting to note next year's results following a period of economic uncertainty.

B) talent toolbox also asks employees to rate their company in terms of how they look after them. On a scale of 1-10 where 1 is very unhappy and 10 is exceedingly happy:

	Range 2008	2005 Average	2007 Average	2008 Average
8-10	82% - 90%	80%	86%	82%
4-7	12% - 16%	20%	14%	18%
1-3	0% - 0%	0%	0%	0%

Participating companies report a discernable (positive) change in perceptions of employee care across their organisations. This has been evidenced either through formal surveys or anecdotally.

Difficulties

talent toolbox seeks to stimulate dialogue within a variety of key areas including opening up areas where there may have been challenges.

- In 2005, outcomes showed 43% of employees having had difficulties since their last review: 38% said these could have been avoided. The reasons were similar with systems coming up first.
- In 2007, 46% of employees felt that they had encountered difficulties at work since their last review, and 60% said that these could have been avoided.
- In 2008, 42% of employees felt that they had encountered difficulties at work since their last review, and 41% said that these could have been avoided. The reasons for difficulties have remained the same for 2007 and 2008.

Common reasons for difficulties included:

- People
- Personal / equipment
- Communication
- Systems

While the levels of difficulties people are encountering have been reduced, the causes seem to be the same over time.

Risk analysis

talent toolbox uses ratings from key questions to prepare a 'risk analysis'. This predicts how likely employees are to leave.

- 2005 outcomes showed that 6% of respondents were at a high risk of leaving, 62% medium and 32% low.
- In 2007, just 4% of respondents were at a high risk of leaving, 58% medium and 38% low.
- In 2008, 9% of respondents were at a high risk of leaving, 50% medium and 41% low.

One of the impacts of using talent toolbox to facilitate a regular appraisal / review process is that its identifying more clearly the people who have a long term career plan within each organisation and also those who are clearly looking to move on.



Areas of company strengths and improvements

talent toolbox identifies patterns in strengths and improvements from a company perspective.

Client employees are asked what they admire or like best and least about their companies. Executive teams can use this information in a variety of ways to take the business forward and evaluate how well values are reflected.

The top eight responses for each over the last three benchmarking reports are shown in the graph.

Communication featured as both a best and worst quality; anecdotally, we know that this is often because people view communication from their manager differently to communication from the company. Many managers successfully employ 'coffee chats' to keep up with developments in addition to the formal review / appraisal process. It is also important keep people informed on company matters in a more 'big picture' context. Work life balance (hours worked, pace stress) consistently appears in the 'could improve' section, which companies should address. (For assistance go to www.learnpurple.com).

2005	2007	2008
Best	Best	Best
1. Company image	1. Company image	1. Products and services
2. Exciting challenges	2. Product and services	2. Exciting challenges
3. The Product	3. Industry Leader	3. Company image
4. People Development	4. Values and Culture	4. Colleagues
5. Charismatic Leadership	5. Communication	5. Learning and Development
6. Colleagues	6. Exciting challenges	6. Values and culture
7. Values and Culture	7. Colleagues	7. Approachable Management
8. Respect for work/ life balance	8. Approachable Management	8. Communication
Could Improve	Could Improve	Could Improve
1. Pay and benefits	1. Policies	1. Pay and benefits
2. People Development	2. Pay and benefits	2. Communication
3. Communication	3. IT provision	3. The hours worked
4. Paperwork/Systems	4. The hours worked	4. Learning and development
5. The hours worked	5. Acceptable pace / Stress	5. Deliver promises
6. Acceptable pace / Stress	6. Paperwork/systems	6. IT provision
7. Geographic location	7. People development	7. Paperwork / Systems
8. Company Mission	8. Deliver promises	8. Acceptable pace stress

Performance management

talent toolbox appraisals are flexible in format and structure and can measure performance against a variety of metrics e.g. against competencies, key performance indicators and / or objectives. No two company systems are exactly the same. Below is an indication of workforce strengths and development areas collated from the varying data.

- Unsurprisingly for service organisations, employee strengths lie within people centred aspects like customer focus, teamwork, impact & influencing skills.
- Employee development needs are in areas such as Finance, IT and, for middle managers, strategic thinking.

Dreamtime

Many talent toolbox systems include 'dreamtime' or 'blue-sky time'. By discovering employees' dreams and aspirations, companies can better understand them and help them work towards their ultimate goals. These aspirations have included everything from rugby captain (leadership qualities?), pro golfer (precise, seeking perfection?), pilot (looking for excitement and high levels of responsibility?), to Santa Claus (a preference for night shifts and working only one night a year?!)



Recommendations and suggestions for talent toolbox user organisations from 2008 appraisals and reviews

- talent toolbox provides the tools and structure needed for employees to drive their own development in the context of what the company needs. In order to further encourage this ownership, some clients have given their people more control by changing the talent toolbox review and appraisal modules to allow the employee to be the one to record the outcomes and agreed action plans rather than the line manager, thus creating their own personal development plan.
- Managers are critical links between their team members capabilities and goals and the companies priorities. It's important that management understand and buy in to the career development standpoint of the company. It's also important they have the skill and the will to support (rather than direct) employees' career journeys.
- Encourage people to view and update their personal development plans on an ongoing basis to ensure that actions are completed and the development process is kept on track.
- The more your people know and care about the company's goals, the more engaged and willing to apply their skills they will be. Consider updating goals and key messages in your talent toolbox welcome page.
- Utilise the training needs report to organise a multi-faceted approach to managing your talent. Coaching; learning and development; psychometrics; information campaigns; internal events all used in combination will ensure people are engaged and developing.
- Consider introducing in house mentoring and develop coaching and feedback techniques. talent toolbox user organisations have reported a shift in the way people view their appraisals. This has moved from seeing appraisals and reviews as 'a cumbersome paper system with few outcomes or ongoing actions', to a forward moving, positive and vital component in the success of the business. Directors should continue to champion this and line managers and employees need to feel confident they can be honest, and open and leave their meetings feeling positive and motivated.



General information

- In general, 1 in 5 people move jobs each year. (In the hospitality sector, it is a staggering 1 in 2). A quarter of leavers have been in their post for less than 6 months. (source: CIPD)
- Attrition rates in the hospitality industry can be cut from 48% to as low as 8% per annum by focussing on effective employee appraisal systems. (source: British Hospitality Association)
talent toolbox user organisations report dramatic reduction in labour turnover rates and significant effects on the bottom line.
- The Corporate Leadership Council (CLC – see www.clc.executiveboard.com), in a survey of over 58,000 employees, found that only 19% could be considered 'engaged' ie fully enthused and willing to go the extra mile for company and colleagues. Those whom were neither engaged nor actively disengaged amounted to 61% and 20% were disengaged ie at best apathetic and at worst sabotaging their organisations.
- The CLC highlighted the need for seven key factors to be in place in order to form an attractive 'Employee Value Proposition' (EVP). These were: Compensation; Organisational stability; Development opportunities; Future career opportunities; Respect; Manager Quality; Collegial Work Environment.
- This reflects our own original research upon which our talent toolbox solution is based. Our advice on delivery of EVP would be:
 1. Define your deliverables (make it simple)
 2. Write this down
 3. Publish it widely
 4. Deliver and develop
 5. Check delivery and continued relevance
 6. Reinforce it – over and over again

talent toolbox background

talent toolbox is a managed service – user organisations are supported throughout and the process becomes an evolving one.

talent toolbox offers six online modules – all are available as stand alone solutions or as part of an integrated system.

1. Competency based performance management (including succession planning, training needs analysis and climate survey)
2. 360 feedback
3. Objectives manager
4. Business measures monitor
5. Induction review
6. Leavers analysis

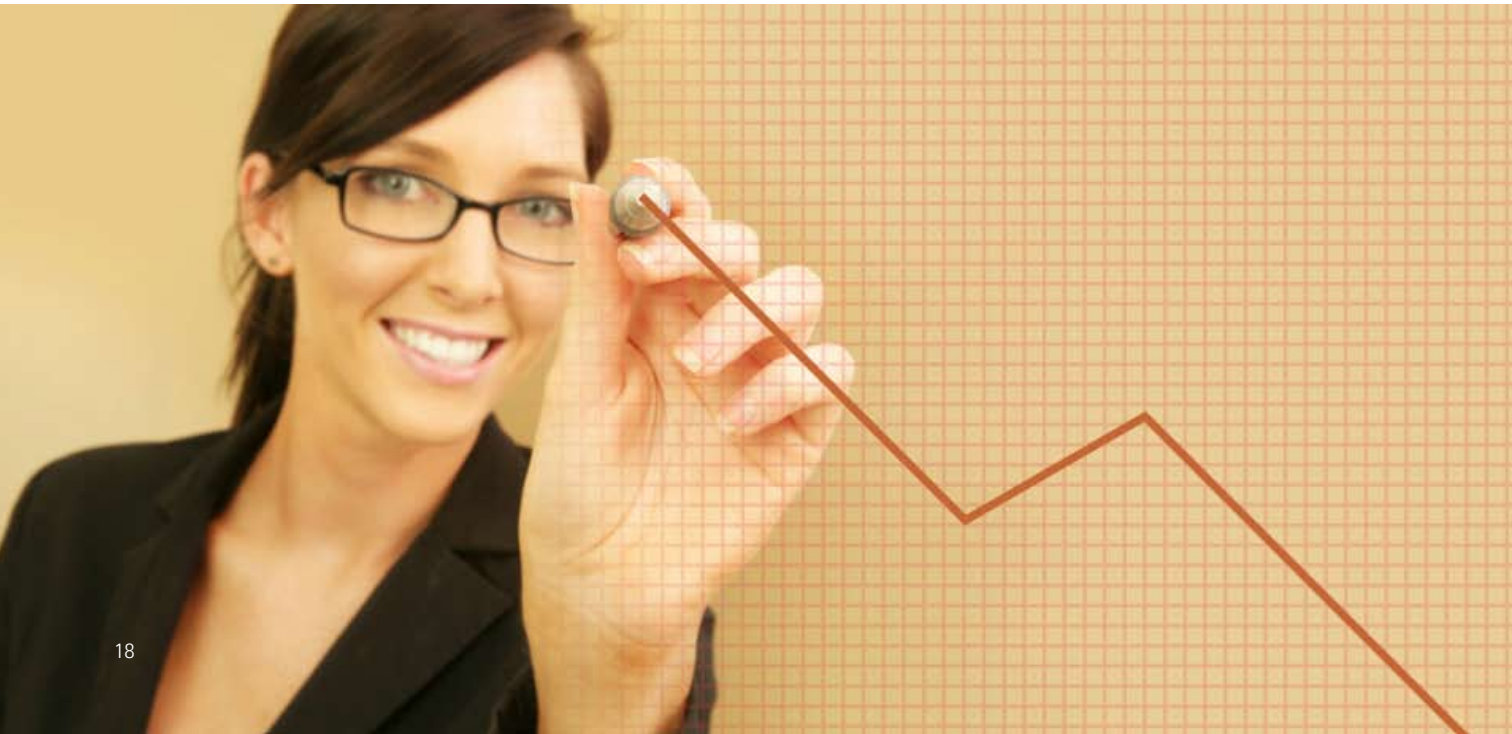
However, talent toolbox content is also completely flexible and can be tailored to meet any organisation's exact needs. You can use your existing documentation, our templates, a combination of both – or we can work with you to develop your perfect solution from scratch. In short, we are committed to continuous innovation and development in order to fulfil our clients' needs.



Measurable results

talent toolbox users achieve a significant return on their investment through:

- Reduced recruitment costs
- Time savings for HR and management
- Reduced labour turnover
- Improved efficiencies from accurately targeted and timely learning & development
- Robust succession planning
- Incorporating employee opinion survey
- Flexible data capture
- Employee engagement - increased morale, motivation, sense of security and worth



talent toolbox... don't just take our word for it

"We have been very impressed with learnpurple's innovative solution to the performance management & communication challenge. Having conducted a thorough search of what is available, we found it to be the best choice by far; simple, user friendly, flexible, met our business needs and, for us, excellent value for money. It is vital for us to communicate regularly with our people, to understand their aspirations, develop them to the best of their ability and to seek their opinions. talent toolbox will provide us with the perfect solution to these issues as well as giving us the means to manage performance, succession planning and ensure the induction and exit process run as smoothly as possible. We will also be able to create up to the minute, accurate training plans. The people at learnpurple are easy to work with, understand the issues the hospitality industry has and our company specific requirements and are highly responsive."

Sara Edwards
Head of People & Change, Liberty Plc

"learnpurple is clearly what they say they are. Hospitality professionals who think along with their clients and have a very open and easy way with short communication lines."

Linda Vonk
Westbridge Europe

"Honest & reliable - you do what you say you'll do; Never a hard sell; Close to the business we are in - you understand us as a client; Fun!; Flexible - you are prepared to change aspects of your product for us."

Paul Reynolds
Human Resources Director, Elior UK

"The management information we receive from using talent toolbox has proved invaluable in managing our talent into the future; instant reporting means we can act quickly and effectively providing our people with up to date and relevant training, we can manage their needs and aspirations and work with them towards common goals. The fact that the managers and operators find it easy to use and enjoy doing so is also clearly a massive advantage."

Linda Halliday
Human Resources Director, BaxterStorey

"talent toolbox has been an important tool to make sure our team come first and that they are clearly heard - results have already paid off with a low turnover rate of 8% which can be attributed to the focus the appraisal system gives."

Wendy Bartlett
Director, Bartlett Mitchell

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