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Managing Performance  
Today and Tomorrow  
*Global Talent Innovation*<sup>TM</sup>



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**INTRODUCTION**

During a recession it is tempting to believe that people are so glad to have a job there is no reason to worry about retaining and motivating them, right? Wrong.

Booz & Company’s Breakfast Briefing on Global Talent Innovation, held in June 2009, was attended by a select group of leading organisations in various sectors including financial services, energy, media, leisure and the charity and public sectors.

Sylvia Ann Hewlett, founder of the Center for Work-Life Policy and

Co-leader of Global Talent Innovation, Booz & Company, presented her research on the danger of maintaining conventional assumptions during tough times and shared new insights about the youngest and oldest talent cohorts – Generation Y and the Baby Boomers.

The ensuing discussion explored the impact of the recession on top talent. What talent challenges are organisations facing? What innovative responses are being adopted to retain and motivate top talent?

*Loyalty, trust and engagement are down*

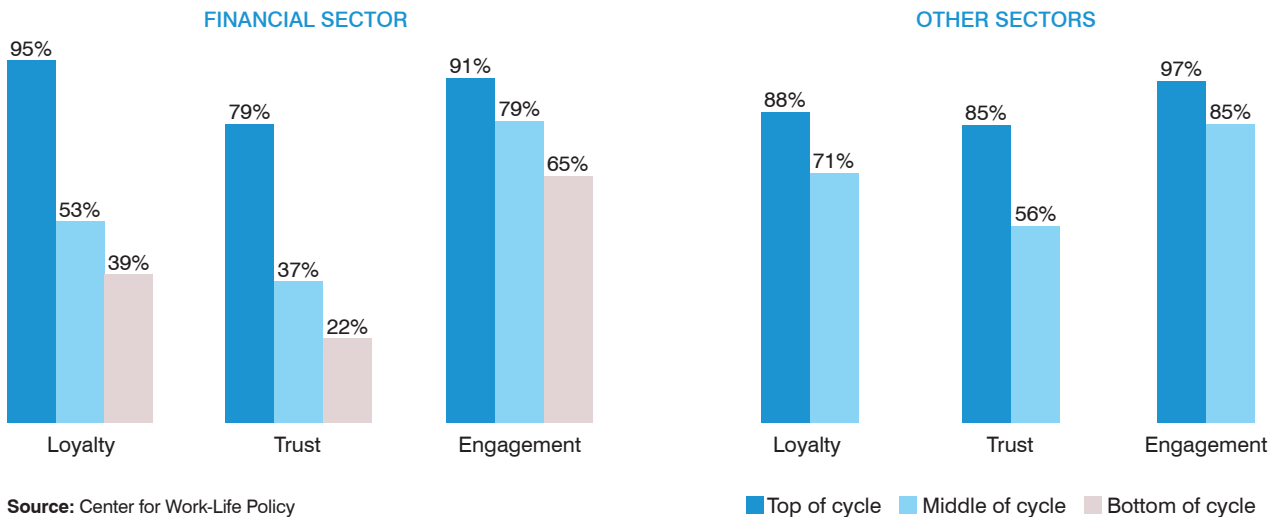
**TOP TALENT CHALLENGES**

The corollary of top talent is extreme work. In large global companies up to 45% of leaders and high potential staff work more than 60 hours per week and deal with other performance pressures such as unpredictable workload, tight deadlines and extensive travel.

One Breakfast Briefing participant, from a financial services company, commented that the lack of organisational commitment to work-life balance at their firm meant it was hard to retain top talent, despite aggressive growth plans.

While there are many aspects of these jobs that people love, there can also be repercussions on health, family and private life. During a downturn these are magnified, while on the other hand the financial rewards are often lower.

Others concurred that hours and travel are both going up as companies reduce headcount, with one participant commenting: “We are asking people to do more with less. Jobs are becoming more extreme.”



All agreed on the need for action. One participant quoted an example of a large organisation, undergoing major and fundamental change, which identified the 'Top 100' individuals key to the

future of the organisation. However, they did not immediately act on this information and when revisiting the list three years later, discovered that only seven of these individuals remained.

*There are many ways to motivate and engage top talent*

**REWARDS REMIX**

Growth is more exciting than recession. During the downturn leaders will be put to the test as they navigate cost cutting whilst also trying to motivate and engage top talent. As one participant put it: "It is hard for people to maintain pride and purpose when colleagues are leaving."

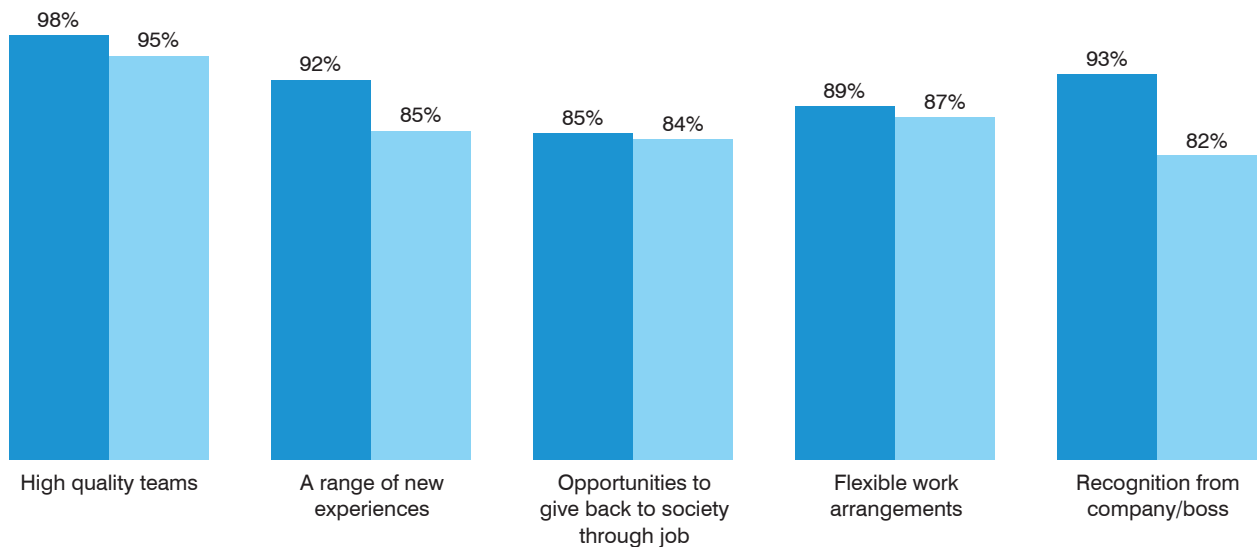
However, the research shows there is a range of options available to leaders to reward top talent. Generation Y (aged 15 to 30) and Baby Boomers (aged 45 to 64), who make up the bulk of the workforce, are motivated by more than money - they rate five other goals as equal or more important: high quality teams, new experiences, opportunities to

give back to society, flexible work arrangements and recognition.

All participants agreed that the attractiveness of non-monetary rewards for top talent has real resonance. Public sector participants drew parallels with their own organisations where financial rewards are typically lower, but employees benefit in other ways, such as better work-life balance and job security. However, even in the public sector, a culture of extreme working is nonetheless an issue at senior levels.

Participants focused on three areas of response to the talent challenge.

**MOTIVATORS AT WORK**



Source: Center for Work-Life Policy

■ Gen Y ■ Boomers

*Responses to the talent challenge include:*

- 1. Flexible working*
- 2. Genuine dialogue*
- 3. Pride and purpose*

## 1. FLEXIBLE WORKING

This is valuable to organisations and employees alike, being a useful way to control costs while meeting employee needs. Among participants there were many examples of successful implementation of flexible working. However, some felt that challenges still remain in establishing and getting the most out of this.

Some participants reported that high-potential staff are concerned that opting for such an arrangement could derail their career trajectory. Likewise, those opting for part-time working wanted reassurance that their workload would be reduced along with their hours.

Of the organisations with long-standing flexible working options, several felt they could be doing more to promote these arrangements to staff and use them as a retention tool. For example, one participant from the oil and gas sector explained how his organisation finds it difficult to recruit from Generation Y because of negative perceptions of the industry, yet does little to promote their very good flexible working policies to potential hires. Likewise,

a participant from the media sector believes her company offers “tremendous workplace flexibility that is only mentioned in passing to recruits and new hires, but could be a real selling point if it were actively packaged and communicated.”

A number of participants, however, cited real difficulties in introducing and establishing flexible working either because it was not part of the prevailing culture, or because they were afraid the take up would be overwhelming. One participant from the financial services sector commented: “How do you keep the best without alienating the rest? Is it good to be open or not about who is talent?”

Despite seeing the value of flexible working, participants agreed there is no ‘silver bullet’ and a variety of initiatives are required to retain and motivate top talent. A participant from the oil and gas sector commented: “Our challenge is loss of pride, purpose and motivation... how do we address this? A 4-day week with the same workload will not do it.”

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## 2. GENUINE DIALOGUE

The importance of clear, honest communication and genuine dialogue with senior leadership was unanimously endorsed by participants. Whilst always important, this becomes a critical factor in retaining and motivating talent during a recession. Participants highlighted the importance top talent place on really being able to engage with senior leadership, be recognised for their input and not just be on the receiving end of communications.

Participants from a leading hotels group explained how their company had established a social networking

site on which the CEO posts every day. Their staff engagement survey showed that staff place high value on having direct access to the CEO. The technique was particularly effective when the CEO asked for help and sparked a conversation with employees on the site.

Likewise a global information provider has set up an “IdeaXchange” site for employees, which received 60,000 hits in the first three months of operation. The most successful aspect of the site is the ‘help me fix this’ area, where staff can ask each other for advice.

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A participant from the financial services sector described how communication and staff engagement have been culturally embedded at their organisation by giving a leader in each business area responsibility for cascading and discussing messages from the CEO.

This institutional role has become a requirement to progress in the firm.

One participant commented: “People don’t want formal, written comms. They want honest answers from leaders.”

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### 3. PRIDE AND PURPOSE

Participants could certainly see the value in providing opportunities for staff to give back to society through their job. One participant from a media sector company described how their organisation facilitates staff in doing charity projects, such as building a school in China. However, it was recognised that this alone is not sufficient to retain and motivate top talent, particularly for Generation X employees (aged 31 to 44) who are more likely to be balancing their jobs with the demands of a young family.

Another key factor identified by participants was clear articulation of the organisation’s values and, crucially, ‘follow-through’ by senior leadership

in their day-to-day work and way of doing business. This was felt to be important in engaging top talent. In other words, senior leadership must be seen to do what they say they are going to do and to be living the values of the firm day to day.

However, several participants were starting to notice the effects of a perceived discrepancy between stated values and recession-driven reality. For example, some commented that organisations advertising socially responsible programmes are cutting back on investment in these activities during the recession because they are perceived as non-core.

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*A recession is a terrible thing to waste*

#### CONCLUDING THOUGHTS

Organisations can use the tough times to make the good times better. Flexible working, for example, can be a win-win opportunity in the long-term, allowing organisations access to a wider pool of top talent and improving retention of staff they may otherwise lose (e.g. working mothers). Participants recognised the need to think about talent in a strategic way, not just find a recession quick fix.

Several individuals commented on the need to carefully identify what talent is really critical to an organisation's future success. Top talent tends to be defined as leaders or potential leaders, but there may be segments of the workforce, not necessarily high up in the hierarchy, who nonetheless

have critical skills. One participant described how the employees in their organisation who hold the customer relationships and co-ordinate the delivery of services are under-paid and under-recognised. Although retention is not a problem, quality of work is below par. Other participants, from the financial services and public sectors, commented on the challenges of retaining staff with specific functional expertise.

One message is clear. Whatever approach is taken to retaining and motivating top talent through the recession, there needs to be transparency, trust and a real commitment to making these initiatives work on a permanent basis.

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