

Talent Management Summit : 2007

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Talent Management & Retention

Why necessary ?

- Booming economies
- Expanding Markets
- Increased Cash flows
- Greater Competition
- Swelling opportunity for Skilled / Go getter
- Increased commercialization (Personal needs of individuals increasing)
- Limited Resources (human) - Resource snatching
- Towering Attrition Rates
- High Replacement cost
- challenge not just retaining but fully engaging them, capturing their minds and hearts. Their engagement, commitment and loyalty are a result of being challenged, developed, appreciated, heard and respected !

Me.....

Key Retention factors

- challenge,
- exciting work,
- career growth,
- development,
- a good boss,
- working with great people and,
- surprisingly at a lower priority, fair pay !



Issues

- Employee turnover
- Critical resources ; attractive to competition / Head Hunters
- Effect of Turnover - When X leaves
 - ★ Damage to business relationship
 - ★ Loss of knowledge, skills & expertise...Which of your employees come in this category ?
 - ★ Impact on reputation
 - ★ Damage to morale
- Cost of Turnover
- *When we take a close look at those firms that excel at retaining key employees, what strikes you is the level of communication, the awareness of each individual employee's needs and aspirations, and the sense of partnership, both in the success of the firm, and in the development of the individual.*

Retention IssuesAnalysis

- Communication ?
- Information Gathering ?
- Internal Market Surveys ?
- Feeling the pulse of the Organization ?
- Current Needs & Preferences ?
- Future aspirations ?
- Letting employee know you want them to stay, their efforts are appreciated & they have a future here.
- Always be prepared to negotiate.

Draw up a plan :

1) Risk analysis

- ◆ *Risk analysis is about discovering retention priorities; making sure you invest your time and money where it will have the biggest impact.*
- ◆ Checkout for **HIGH RISK & HIGH VALUE** employee
- ◆ Which employees are most valuable to the business?
 - ★ availability of replacements
 - ★ time for new recruit to get up to speed
 - ★ damage to client relationships
 - ★ firm specific knowledge
 - ★ value to competitors
 - ★ impact on morale
 - ★ reputation in the market place

Your most valuable employees may not be your highest paid employees.

- ◆ Which employees are most likely to leave?
- ◆ Typically the following are susceptible :
 - ★ On search firm's Radar
 - ★ New Degree
 - ★ Missed promotion
 - ★ New to the Organization or 2 year change
 - ★ Past Record
 - ★ Skills in demand
 - ★ Departure of manager/mentor
 - ★ Personal issues

- 2) Targeting

- ◆ Based on the determination of the skills and knowledge that are vital to the success of the business at a given point in time (now !!?!!). We need to think about the direct and indirect competitors for the services of our best employee(s); how the balance in the market place might change should a key individual be attracted away. Considered how your clients might view various departures, and perhaps most importantly, how they might react.

- *You have made a decision as to how much the organisation wish to devote to talent retention... individuals or group employees, that you wish to **target**.*

3) Retention interviews

- ◆ Surveys & Questionnaires on issues– internal / external
- ◆ Future plans & Aspirations – Professional / Personal
- ◆ Personal issues
- ◆ How to improve work environment
- ◆ Views on competitors
- ◆ Cost saving advises (& rewards in solutions)

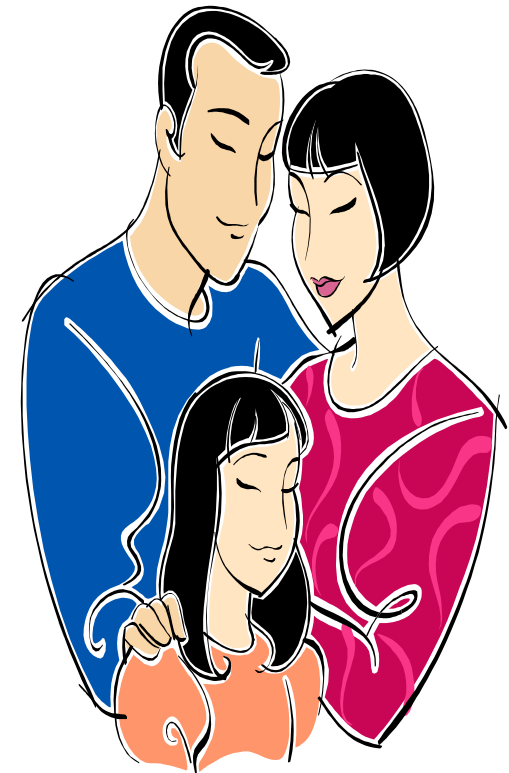
Retention Strategies



.....Key to every good relation is Happiness !

Retention strategies : emotional

- Give feel of belongingness
 - stock options – ownership aspect
 - employee meets – have his / her views
 - surveys & questionnaires
- Two way Feedbacks
- Supporting strongly on personal issues
- Never criticize in public ; Appreciate in public



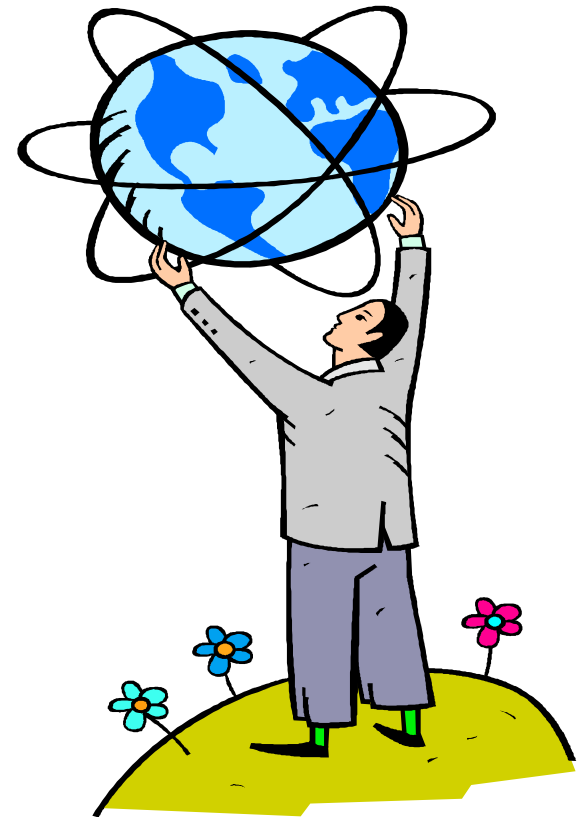
Retention strategies : financial

- Special Recognition Award
- Insourcing the out sourced
- Stock option –financial aspect
- Incentives on achieving desired results
- Performance based increments
- Incentive on staying



Retention strategies : Challenges

- Challenging him – Opportunities in same / different department
- Creating competitive environment

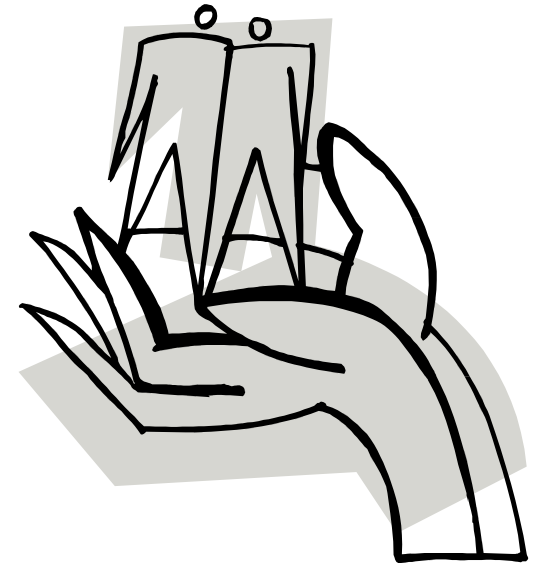


Challenge Yourself - Stay Alive ! a real story

- The Japanese have always loved fresh fish. But the water close to Japan has not held many fish for decades. So to feed the Japanese population, fishing boats got bigger and went farther than ever. The farther the fishermen went, the longer it took to bring the fish. If the return trip took more time, the fish were not fresh. To solve this problem, fish companies installed freezers on their boats. They would catch the fish and freeze them at sea. Freezers allowed the boats to go farther and stay longer.
- However, the Japanese could taste the difference between fresh and frozen fish. And they did not like the taste of frozen fish. The frozen fish brought a lower price. So, fishing companies installed fish tanks. They would catch the fish and stuff them in the tanks, fin to fin. After a little thrashing around, they were tired, dull, and lost their fresh-fish taste. The fishing industry faced an impending crisis! But today, they get fresh tasting fish to Japan .
- How did they manage? To keep the fish tasting fresh, the Japanese fishing companies still put the fish in the tanks but with a small shark. The fish are challenged and hence are constantly on the move. The challenge they face keeps them alive and fresh!
- Have you realized that some of us are also living in a pond but most of the time tired and dull? Basically in our lives, sharks are new challenges to keep us active. If you are steadily conquering challenges, you are happy.
- Your challenges keep you energized. Don't create success and revel in it in a state of inertia. You have the resources, skills and abilities to make a difference. Put a shark in your tank and see how far you can really go!

Retention strategies : Human

- Understanding human psyche & designing retention strategies based on
 - Performance
 - Potential
- Proper work environment
 - Sitting space
 - Comfortable furniture
 - Right temperature
- Cafeteria
- Gymnasium
- Flexi timing (if conducive to business functioning)

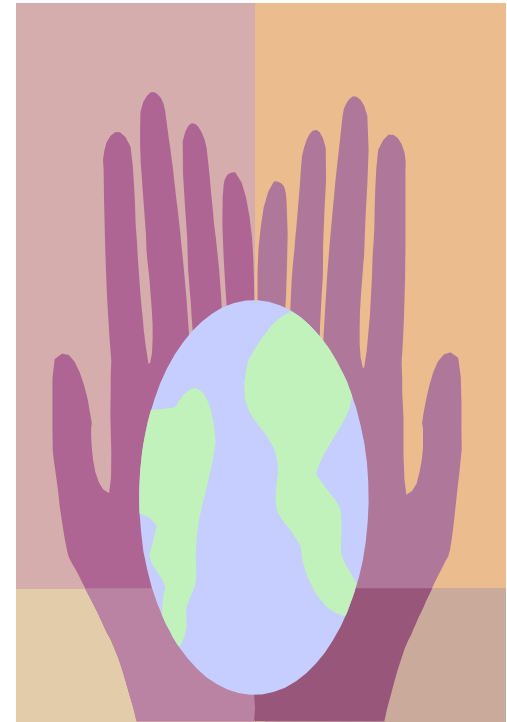


Retention strategies : Generic

- Succession plans for key employees
- Job rotation
- Turnover is influenced by both internal (push) and external (pull) factors
- Natural length of employment for a role
- World doesn't come to a standstill with the move of one from the group
- Solution lies in...
 - Motivating the existing workforces
 - Getting Go getter on board
 - Practicing the Retention Tools
- Keep them happy

To Summarize

- Action required ...
 - Communication
 - High-potentials must be carefully managed !
 - Identify Key positions / Resources
 - Keep them Challenged !
 - Job Rotation ; Robust Succession plans
 - Recognize Star Performers



The Punch line.....*Happiness is key to retention !*

- Grow a food grain if you want prosperity for one year.
- Grow a tree if you want prosperity for Ten years.
- **AND** Grow a human being if you want prosperity for hundred years.



Thank You !

