

# the **HRDIRECTOR**

THE ONLY **INDEPENDENT HR STRATEGIC** PUBLICATION IN THE UK

SUMMER 07 **ISSUE 38**

## the **HRDIRECTOR INTERVIEW:**

**Matthew Brearley - HR director, Vodafone UK**

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Shrinking world, expanding opportunities

### **PENSIONS**

The changing nature of pension funds

### **GRADUATE DEVELOPMENT**

Preparing the ground for lasting success

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Changing the language of learning

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What's in a name?

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**MGt**

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Pictured: Matthew Brearley  
HR director, Vodafone

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EDITORIAL

**DON'T MISS NEXT MONTH'S ISSUE WHERE WE LOOK AT: FORUM – DIVERSITY; 21ST CENTURY WORKING PRACTICES – WHAT DO THEY LOOK LIKE?; HUMAN CAPITAL MANAGEMENT; THE EQUALITY ACT 2006... AND MUCH, MUCH MORE.**



## WHY HR SHOULD BE OFFERING GRADUATES CAREERS, NOT JOBS

GRADUATE DEVELOPMENT AND RETENTION IS A COMMON HEADACHE SHARED BY MANY COMPANIES, REGARDLESS OF INDUSTRY. DANIEL WAIN, WORLDWIDE DIRECTOR OF LEARNING AND DEVELOPMENT AT RESEARCH INTERNATIONAL, DISCUSSES THE PROBLEM FROM THE PERSPECTIVE OF THE MARKET RESEARCH SECTOR, AND HOW HIS COMPANY IS TACKLING THE ISSUE.

### GRADUATE RECRUITMENT: A PROBLEM?

The link between investment in graduate development and improved business results is now more widely accepted than the case for global warming. The evidence is overwhelming. Over the past decade there have been at least 50 studies leaving this in no doubt. According to the Chartered Institute of Personnel & Development (CIPD), *"the quality of people management and development is a better predictor of performance than business strategy, R&D, or quality management"*. However, knowing this and finding the time and resources to invest in graduate development are two entirely different things.

In market research our sole 'product' is our people. It's a cliché, but people truly are our greatest asset, not only in terms of operating cost, but also in terms of our key means of sustained competitive advantage. This is truer now than ever before. As Peter Drucker recently commented in the Harvard Business Review: *"increasingly, the success – indeed, the survival – of every business will depend on the performance of its knowledge workforce"*. Put simply, if we don't retain and develop young, graduate talent, we don't have a business, and if we don't find and retain fresh talent, we don't have a future. Widespread evidence suggests that the market research industry, like others, is finding it increasingly difficult to recruit and retain this young talent, particularly given the lingering perception that the profession is uninspiring, unsexy and an uncreative career choice for an intelligent graduate. This is an image that many industries can suffer from.

This viewpoint was the driving force behind Research International's decision to identify how both the organisation and the research profession could first attract, then develop and hopefully retain, the best future leaders. Over the past two years, I have interviewed a range of 'interested parties': over sixty senior industry figures, HR professionals, key suppliers such as recruitment agencies, and current, recently-departed and about-to-depart market researchers.

There is no doubt that recruitment is getting tougher in the UK, certainly more so than in the developing BRIC (Brazil, Russia, India, and China) markets. However, even within the UK, our research clearly flags the real challenge not as attraction but retention. Good people join, but too many leave, too soon. The reason for this can too often be found in the way we recruit.

### EDUCATE BEFORE YOU RECRUIT

The vast majority of those entering the research profession, like others, wander in, not helped by poor industry marketing that fails to educate graduates as to their options. The result is many graduates enter market research, and other professions, randomly, with relatively few genuinely interested in a long-term career.

Indeed, a quick show of hands at a recent research conference showed that, from an admittedly unrepresentative and far from robust sample, no more than three per cent consciously set out to make their

career in the profession. One respondent only found market research because, alphabetically, it's next to marketing in prospects. It's clear to me some just got off at the wrong floor!

Nevertheless, as far as graduate recruitment is concerned, it's a buyer's market. The number of graduates is ever increasing, with currently over 2.5 million in higher education. Thus research indicates that, fortunately, the quantity of potential candidates is not an issue. However, quality is. Lots more filling in applications means lots more to be read, sifted, short-listed and assessed.

Essentially, as potential employers, we are not educating graduates in what our industries and jobs have to offer. Retention then suffers as a result.

#### RETENTION: LIFELONG LEARNING NOT TACTICAL TRAINING

Research reveals that we are not alone in facing increasing demands from young talent; too many respondents talk of being treated not as people, but as 'work units', getting swallowed up in the machine, obsessed with the methodology and the detail, the process and the task. They don't mind learning their craft, but it's the sheer repetitiveness that gets them down. Broadly speaking, our profession shows more interest in research than researchers.

Research International's investigations indicate that, as an industry, we take the training of research skills, particularly at graduate level, very seriously, both at the micro and industry level. However, after the initial 'grounding' in the technical basics, learning and development tends to dry up. The industry being too obsessed with methodology impacts upon what it trains and develops. This is supported by the latest survey of young researchers, conducted by the MRS group R-Net which shows that only 3.8% and 6.8% feel they need more training in quantitative and qualitative research skills respectively, compared to 52.1% who need better management skills and 62.8% more support advising clients on business strategy. All the indicators suggest that this is consistent across a number of industries.

#### "the three year itch"

Research shows that too many graduates leave at the 'senior research executive' level: after a couple of years, when the initial training has stopped, the learning curve levels off, the career path looks unclear and the exchange of value becomes one-way. This is 'the three year itch'. Whilst most stay or go more because of the employer, not the profession, a worryingly high proportion leave the industry all together – estimated at over 40%. Our biggest enemy, aside from our own indifference, is backpacking.

Ultimately, wider societal influences are at play, affecting industries across the board. As a recent management agenda from Roffey Park stated: "When people can have their choice of employer, the power balance in the psychological contract shifts to the employee. Employers who fail to recognise this are more likely to lose the talent they need for competitive advantage". Much has been written of the very clear change in the psychological contract: a shift from 'cradle to grave' jobs-for-life to self-managed 'portfolio' careers. This is increasingly the age of the freelancer and the interim, spurred on by the survival of the self - Simon Caulkin's 'me plc'. Hence why young talent is not hard to attract, but easy to lose. >

## HELPING GRADUATES MAKE THE TRANSITION FROM ACADEMIA TO THE WORKPLACE.

JOINING THE WORKPLACE FOR THE FIRST TIME CAN BE OVERWHELMING AND STRESSFUL. GRADUATE SUCCESS, A UK BASED GRADUATE RECRUITMENT COMPANY, HAS FORMULATED AN ONLINE DEVELOPMENT TOOL CALLED F100 (THE FIRST 100 DAYS), THAT SUCCESSFUL CANDIDATES CAN ACCESS BEFORE THEY HAVE EVEN STARTED IN THEIR NEW ROLE.

The system helps graduates prepare for the workplace by encouraging them to develop the emotional intelligence and abilities needed to work alongside and manage people.



Simon Reichwald, managing director of Graduate Success, explains that the programme has been developed as a result of feedback from businesses. "Although line managers have the best intentions when recruiting graduates, planning to invest time in them and share the benefits of their experience, the reality of organisational time pressures rarely allows for a productive level of mentoring."

Increasingly, employers are expecting graduates to take more responsibility for their own career and development and this system helps to build the habits and behaviour required to take on that responsibility. Four to six weeks before starting their new job, the programme begins to prepare them for their new role as well as thinking about their areas of concern and how they can allay those fears.

While the toolkit is designed to lead the graduate's induction process, it works well in tandem with in-house HR induction activities, and for the first three months the Graduate Success support team provides telephone coaching and support.

The toolkit comprises online tutorials, key actions for the graduate following each section, and downloadable interactive forms and exercises.

Amongst companies such as Bombardier, Dean Foods and Frontier Agriculture, Graduate Success has been working with Blue Sheep, a UK database marketing and analysis businesses, for the last five years, and Tricia Samuel, HR director, says: "Blue Sheep's most recent intake of four graduates all used the F100 system, along with coaching supplied by Graduate Success. By having the support network in place and software to complement it, graduates adapt and begin to make a significant return for companies far more quickly than would otherwise be the case."

For further information



www.bluesheep.com



www.graduatesuccess.com

- > The key to graduate retention revolves around three core values:
- Nurturing, developing, providing progression and a career path
  - Stimulating, challenging, providing variety and fun
  - Valuing and recognising each individual for who they are, and the difference they make.

This model reveals that:

**NURTURE + STIMULATE + VALUE = ENGAGE = RETAIN**

Engaged employees are less likely to quit and more likely to drive higher levels of business performance. According to another recent CIPD Survey, called "How Engaged are British Employees?", 47% of employees are looking for another job or in the process of leaving, whilst 24% expect to leave within the year. This supports another CIPD report that the average UK turnover is 18.3%. And engagement among under-35s is significantly lower than in older age groups.

Thus engagement, or rather the lack of it, is a societal challenge for all industries.

#### HR DIRECTORS: WHAT WE CAN DO

These conclusions prompted my latest presentation at the Market Research Society (MRS) Conference, where I argued for a concerted cross-industry campaign to:

- Educate careers advisors who are eager to place their students and, most importantly, to get research practitioners rather than just academics lecturing at universities and business schools
- Create more overt and sophisticated recruitment advertising, selling research as a career rather than a job
- Regard the response 'don't develop them, they'll only leave' as a false economy
- Develop more than just technical, research skills: expertise in relationship management, business development, consultancy and planning, commercial and business acumen and, arguably most important and most frequently overlooked, people management
- See learning less as a technical, commercial activity, and more as a personal opportunity or professional duty
- Ensure lifelong learning, by rewarding seniors for the development and retention of their talent, and for acting as role models and mentors, coaches and counsellors
- Constantly monitor what we do much more carefully; ask: why do people enter research, how many are attracted or rejected, what learning and development do they receive, what are their expectations and how far are they met, how many leave and why, how long does it take to replace them, how many stay and why, and how many are engaged and how?

Our company has now taken these arguments and implemented them so that it has its first-ever worldwide performance management programme, based on globally consistent and transparent job descriptions and a new set of 'behaviour', against which all people are recruited, measured and rewarded. Every graduate has a learning and development plan linked to their personal and business objectives. The underpinning aim is for each graduate to be able to answer the following core questions.

- Where am I now?
- Where am I going/where do I need to be?
- How do I get there?
- How will I know that I've arrived?
- How can I see how far I've travelled?
- Where could I go after that?
- Do I have something to strive for?

At Research International, initiatives were designed specifically to provide people with the dignity of personal development and progression. Graduates can now see beyond the initial intensive six-month 'trainee development programme' to something that starts to resemble lifelong learning. By thinking of people in the longer-term, we hope that they will start to think of us likewise. This is also supported by essential line manager training that ensures that HR initiatives are implemented on the floor.

#### THE FUTURE

So much has been done, but much remains to do. Addressing the issues identified in this research is very much a work in progress, and it is still too early to judge. However, we are evaluating all that we do, both the learning process (efficiency) and the output (effectiveness), and are looking for increases in both corporate, as well as individual, capability.

The values and priorities of graduate recruitment and retention are shifting in line with general societal and educational changes. It is now a very different marketplace to only a decade ago. All industries, if they are to attract, recruit and retain the best talent, need to invest in lifelong learning, educating graduates in their business from before they are recruited until they themselves become the educators. Industry needs to offer careers, not jobs.



**Daniel Wain**  
Worldwide Director  
of Learning & Development  
[www.research-int.com](http://www.research-int.com)



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