

CREATING, MOTIVATING AND RETAINING TOP PERFORMERS: LEVERAGING ON PROPER TECHNOLOGY TO OPTIMISE YOUR ORGANISATION EXCELLENCE STRATEGY

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Today's workforce has never been more mobile, dynamic and fluid.

As globalisation, economic development, immigration and greater accessibility to information via the Internet have paved the way for creating an environment of borderless work opportunities and greater talent mobility, talent attraction and retention have become the critical factors that organisations must effectively address if they wish to remain competitive.

Talent mobility comes in various forms.

Movement of skilled workforce can be geographical. Every year, people are leaving their home countries for work in places that lack sufficient or adequate local talent or are experiencing skills shortages to meet their manpower requirements. Within national boundaries, talent movement is also prevalent. Individuals from the rural and agricultural regions moving to the commercial, industrial, financial and urban centres in search of better jobs is a regular phenomenon.

As roles and responsibilities are becoming more integrated, functional mobility of talent is also becoming common. Employees are more often seeking career advancements by exploring alternative business processes and opportunities within or across organisations.

At the far end of functional mobility comes talent movement across skill-sets. Within acquired skills and knowledge, employees have become equally qualified and able to handle jobs in different - even seemingly disparate - fields. It is not uncommon, for example, to find engineers taking on jobs in actuary and finance, or mathematicians excelling in information technologies.

Challenge or Opportunity?

This unprecedented ease and scope of opportunity for talent movement can pose significant challenges for employers in retaining their top people and ensuring continuity of knowledge and processes. Yet, the same mobility can also open new areas of opportunity for organisations able to leverage on talent mobility and attract best people for their operations. Resultantly, several critical issues thus confront all organisations:

- 1. How to attract quality employees*
- 2. How to retain top performers*
- 3. How to prepare for leadership succession*

Additionally, competitive pressures are also forcing companies to do more with less to stay ahead. The success rate thus becomes a function of not only the inflow and outflow of talent, but also the capability to best leverage on the existing talent. As a result, more issues must be added to the list:

- 4. How to best leverage on existing workforce*
- 5. How to determine who to keep or who to replace*

Finally, the ever-changing business environment also demands that organisations and their people are relentlessly agile and adaptable in order to compete, which invariably adds further issues to consider, such as:

- 6. Where to focus the company's development resources*
- 7. How to integrate personal and business objectives*

Talent mobility is becoming more easy and prevalent, stemming from:

1. Geographical mobility, where employees are moving within countries and across country boundaries
2. Function mobility, where employees are crossing function areas within or across organisations
3. Skills mobility, where employees are using one skill-set to move into another, even disparate, skills area

Ease and opportunity of talent movement creates **threat** to unprepared employers, but also tremendous **opportunities** for organisations that are best equipped to attract, develop and retain their top people. Having right systems in place will also facilitate your employees to realise their **maximum potential**, be it financial, leadership or functional.

Ability to implement systems and policies that create an atmosphere to attract talent and allow your people thrive and succeed in today's business environment creates a key **competitive advantage**, and transforms your HR function from its traditional administrative role to that of a **strategic business partner**.

Total Rewards Link is a process - underpinned by appropriate system - that establishes a clear and fair relationship between expectations, achievements, financial and non-financial rewards, and corporate strategy. Implementation is likewise a step-by-step process:

- Step 1: **Expectations**
- Step 2: **Achievements**
- Step 3: **Rewards**
- Step 4: **Strategy**

Talent mobility, competition for skilled talent, use of the existing talent pool and the changing business environment pose risks and can have devastating impact for your organisation, if you are not prepared to effectively deal with these issues.

If, however, you have concrete performance management and talent development processes in place, if you have implemented mechanisms for appropriate rewards strategies and if you have agile succession planning in place, these same issues can serve as tremendous opportunities and catalysts to help you achieve an edge over your competitors. In the process, you will also facilitate your employees to realise their maximum potential, be it financial, leadership or functional.

Competitive advantage from Strategic HR function

Your ability to develop and motivate your people so they thrive and succeed in today's business environment, creating an atmosphere that attracts the best talent, is a primary source of your competitive advantage.

This is also the key which transforms your HR function from its traditional administrative role to that of a strategic business partner.

Failing this transformation will hurt your organisation in the long term, reducing your competitive advantage by translating to financial and productivity losses and a loss of know-how. In contrast, making this key change in which HR function is utilised in your company will reap long term benefits, including:

- Best people remain to steer and support your organisation, continuously motivated with due performance recognition, rewards practices, and opportunities for personal (and financial) growth.
- Your company minimises critical - often crippling - costs associated with turnover, not least of which include loss of knowledge, loss of experience, loss of relationships and a necessary ramp-up time for replacement staff.
- Where turnover is unavoidable, succession planning - whether transitional or permanent, planned or sudden - helps you to change smoothly into new leadership as knowledge, experience and relationships are retained, ramp-up time for replacements is reduced and turnover costs are minimised as successors are groomed in advance. You can even inject new directions, ideas or opportunities through the choice of a successor.
- You breed a culture of success. As your company accumulates great people and your organisation exudes a culture of excellence, average performers will be more motivated to perform better and will have more opportunity to learn from, or even be coached by, top performers. Similarly, outsiders will have greater impetus to join if your organisation is recognised for its talent.

Total Rewards Link

Appreciating the need for a strategic role of HR, *how* then do you implement it? For example, *how* do you create, motivate and retain your best people? *How* do you help them realise their potential?

Motivation schemes or rewards could range from seemingly simple such as financial bonuses and promotions, to the extravagant – like providing a laundry service or sending employees on expense-paid overseas trips. Providing a flexible work system that allows employees to work on an agreed schedule outside of traditional work hours or locations has also been identified as an effective way to retain employees (<http://www.watsonwyatt.com/news/press.asp?ID=17666>).

In all cases of motivational rewards, however, the key is to identify *who* should be rewarded, *how* much reward should be given and *what* rewards are most effective in achieving the motivational outcome.

Rewarding good performance is a commonly used approach to influence employee behaviour and retain top performers. Pay-for-performance methods are fundamentally similar: performance standards – aligned with corporate direction - are set, and a system of performance appraisal is implemented to determine how the employees fare against these standards. Overall performance is then measured through a rating and / or ranking system, which will help the organisation identify how the employees will be rewarded.

Traditional pay-for-performance concept, however, often fails its promise and potential as an effective motivation and reward tool if not underpinned by a fair, transparent and efficient connection from performance to rewards. Furthermore, money as a sole motivator will not leave lasting and sustaining impact; an effective pay-for-performance system must appreciate the full breadth of effective rewards to go beyond financial and become a truly motivational tool.

It is therefore crucial to establish a link between rewards and performance – a Total Rewards Link – which provides clear and fair relationship between expectations, achievements, financial and non-financial rewards and your corporate strategy.

Step 1: Expectations

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Your rewards strategy may fall apart at the outset if expectations – those of the organisation and those of the employees – are not clear. To gauge the clarity of such expectations in your organisation, ask yourself if your employees are able to provide a ready and clear answer to questions such as:

- What are the goals of my organisation and my division?
- How do I fit into those goals?
- How will my achievements be measured?
- How will my achievements be recognised?
- What prospects do I see in this organisation?

If the answer to these questions is not always clear, your employees may be driving towards wrong or differing goals, producing sub-optimal output or a wrong kind of output, driven by incentives that may not be aligned with your company's objectives. Productivity, motivation and hence competitive advantage are all decreased.

All this stems from a fundamental misalignment between the expectations of the organisation and the expectations of the employees. An effective system must begin with ensuring everyone rows in the same direction.

Step 2: Achievements

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For achievements to have greatest motivational impact they must be objectively measurable and visible, with a transparent link to individual performance. If employees only see achievement recognition as a lip service, you are likely to see a significantly diminished buy-in from employees who will view any appraisal system as a waste of time, and will not put their best towards a common goal even if expectations are well recognised.

On the other hand, where performance is objectively measured and visible, the perception of fairness will become invaluable during the reward process. This is especially so whenever difficult firing decisions need to be made for underperformers.

Some of the established and effective evaluation techniques include:

- Review of pre-set Key Performance Indicators (or Targets)
- Multi Source Feedback on performance, skills and attributes by supervisors, subordinates, peers as well as other internal and external sources

Step 3: Rewards

- Ranking Assessment and Categorisation. Example includes the 20-70-10 rule, popularised by General Electric's former CEO Jack Welch (who is rumoured to have written performance evaluations even for his household help), this top-to-bottom ranking determines and segregates the top 20% (the stars), middle 70% (the "valued middle") and bottom 10% performers

Step 3: Rewards

Irrespective of the chosen achievement evaluation technique or techniques, the top performers must be nurtured and given incentives to excel and lead, whilst the middle performers must be valued, coached and looked after as the drivers of the output. Those in the bottom segment must be weeded out.

Financial rewards should not be used as the exclusive motivating force. To maximise their motivational effectiveness, rewards for performance should also include opportunities for growth and recognition.

Recognition, in turn, can be implemented in many ways including:

- Providing **leadership development** programmes to spot top performers early on, nurturing and preparing them to take on leadership roles.
- Providing **internal advancement**, career path options and career development programmes to your employees to encourage them to build their careers in the organisation.
- Giving staff **increased responsibilities**. Developing your people to take on wider responsibilities not only frees up the managers to focus on new tasks but also gives the employees a sense of trust in their ability to handle and accomplish bigger tasks
- Providing **work diversity** and allowing staff to explore other functions or roles within the organisation.

Step 4: Strategy

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The accumulated wealth of data about your employees, their performance, their skills and their aspirations, collated and combined from a variety of HR activities, gives you a tremendously powerful tool to answer critical questions such:

- How to transfer knowledge and practices from divisions that constantly produce top performers to other parts of the organisation?
- Which training and development areas should you invest in?
- Are your existing policies and practices effective to retain talent, attract new people and increase productivity?
- What your employees are saying and how you can listen better?

Additionally, the wealth of information available to your organisation helps you determine whether the employees' objectives and goals are aligned throughout the organisation, monitor which key competency areas to focus on and more importantly, how to use this information to implement an effective Total Rewards System.

The ability to collect, combine and comb-through such a vast amount of data in an effective, timely and continuous manner is, however, hardly possible using manual methods.

The answer is Technology

The help from Technology

Proper technology can implement processes in an efficient and effective manner and make sense of the resulting information, turning **ideas into action**.

Poor technology replaces your administrative tasks with the administration of the system.

Attributes of Good Technology

1. **Efficiency:** Achieving outcomes and objectives with minimal intrusion
2. **Integration:** Combining disparate areas into a cohesive framework
3. **Information:** Giving real-time, meaningful access to all accumulated data
4. **Innovation:** Providing effective feedback mechanism to allow continuous improvement of policies and processes
5. **Agility:** Able to adapt to required changes swiftly and with minimum effort.

Traditional or manual methods cannot turn these ideas, the required processes and the resulting information into **action** without a paper nightmare. Proper technology can take off administrative burden from the HR team in a manner that is transparent, integrated, flexible and efficient. That same technology can also help you make sense of all the acquired information.

When deploying technology, however, HR managers must ensure that they are maximising and taking advantage of its use, and not fall into the danger of replacing their administrative tasks with the administration of technology.

Proper **technology** must also be accompanied by proper **adoption** of such technology. This ranges from a suitable change management process as the technology makes its way in, to maximising employee buy-in through appropriate policies and processes, to the support from the top management in ensuring the role of the technology in the company is unambiguous, to the consideration of the "human element" and the recognition there are some activities, such as firings and rejections, that absolutely must be handled through human interaction. Proper technology should enable, complement and supplement but not entirely replace human solutions.

So what defines Good Technology?

The fundamental principles or attributes underpinning effective technology adoption are:

1. Efficiency

Technology should be able to meet and effectively address the organisation's needs in a way that is unobtrusive and minimises impact on employee time.

For example, an effective 360 degree performance review is impossible to implement using manual methods without imposing massive administrative burden in disseminating, following-up, collating, inputting and collating the results. Respondents will similarly be impacted with a need for individual responses, rewrites and the lack of flexibility to accommodate exceptions. Policy changes are impracticable. Historical or trend reviews are cumbersome. Statistical reviews are time consuming. Knowledge transfer, training focus and skill analyses almost impossible. It is only with technology that effective collaboration of many people can be brought together in collecting feedback in a way that is timely, simple and unimposing.

When technology is able to reach a wider base and engage more participants, feedbacks and assessments can be more comprehensive, making performance reviews more relevant and helping you establish a more transparent link between employee performance and rewards.

2. Integration

Good technology must be able to link individual processes and results to other processes or across the system. It must be able to leverage on the information available from these various, even disparate, parts of the system in providing comprehensive tools and holistic solutions.

For example, competency assessment results can be tied to a gap analysis that identifies skill shortcomings, which in turn can interact with learning library to identify development paths, which themselves can integrate with talent search, internal

promotions and career enhancement tools that help to best leverage on the newly acquired expertise.

Integration of personnel, performance and financial information will help you easily identify your top-performers, spot and nurture future leaders, ensure they are valued and duly rewarded and identify best candidates early in preparing strong succession plans or quick reaction plans in cases of unexpected staff or skill shortage. That information will also help you focus training and learning programmes on the areas where they will have the greatest impact and the highest ROI.

3. Information

There is power in information and the HR function, being the custodian of employee data, has the access to this wealth of information.

Individual information, historical and current, plays significant part in redeployments, learning and development, performance management and other motivational tools.

Employee information such as experiences, trainings and career objectives can help HR ensure that the employee is well-placed in the organisation and can help identify potential candidates during succession planning.

Aggregate information is similarly valuable, as it allows the organisation to look at the bigger picture and conduct trend analyses, comparisons across divisions, forecasting, and facilitate transfer of knowledge and best practices from top performers to developing contributors.

Results of performance reviews, for example, can be collated into comprehensive reports and used to determine how the employees perform at the macro (organisational) as well as micro (individual) level. A gap analysis of the information can provide effective benchmarks to determine how employees fare against the organisation's performance or skills set standards.

Proper technology can help you make sense of all the information that is available, identify best strategies for aligning individual output with organisation's needs, and effectively address employee needs. Furthermore, good technology should not only be able to make this information available, but do so easily, quickly and on demand.

4. Innovation

There is always room for improvement – existing business policies can be improved, new and more effective HR practices can be conceptualised, developed and implemented.

Technology must facilitate the identification of shortcomings and pre-screening of practice changes, allowing existing systems to be redesigned and redefined to meet the needs and demands of the users and changing business requirements and environments.

5. Agility

Given the dynamics within as well as outside of the organisation, effective technology must have the flexibility to adapt to developments and changes in business policies and processes swiftly and with minimal effort.

Good Technology turns HR function from administrative to strategic.

The **perception of strategic role** of the HR function is equally important in the achievement of objectives. This can be facilitated through adoption of technology which **dispenses with administrative activities** quickly, accurately and efficiently.

The Effect of Good Technology?

A proper and powerful technology can turn

- complex rules into streamlined processes
- obscure information into visible information
- subjective actions into objective policies
- expectations into achievements, achievements into rewards, rewards into strategy

In doing so, technology turns HR's function from administrative to strategic.

HR's perceived function vs. necessary function

Amidst the talent mobility pressures, competitive pressures and market dynamics pressures, the role of HR needs not only be strategic, but also be perceived as strategic to attract maximum buy-in to its policies and processes.

However, the HR department is often perceived to be ineffective in this aspect, and is traditionally seen to be engaged more with transactional and administrative functions such as decisions to hire or fire, processing of leave and payroll, and enforcement of the dos and don'ts of the organisation. This perception is often driven by proximity and frequency of such actions to the employees, and the necessity for such actions to be performed by the HR team.

Most of these administrative activities are also done manually and are often paper-based, which compounds the problem rather than helps HR manage these processes quickly and efficiently.

This is then where technology can also play a crucial part in enabling HR refocus towards more strategic directions.

Technology can take off the administrative burden from HR managers – quickly, simply and with reduced errors – freeing up time for activities such as consultation, policy development, talent management and workforce planning, which yield more opportunities and significantly better ROI for the organisation.

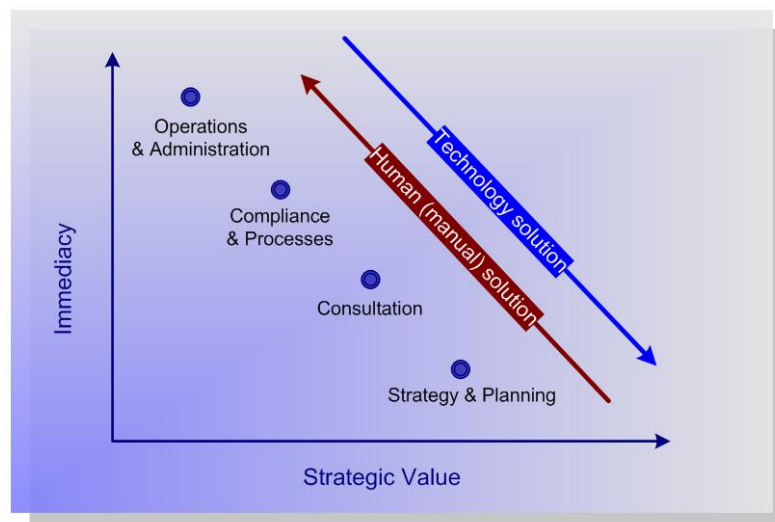


Figure 1. Shifting of HR function through the use of Technology

Return on technology investment is often hard to measure, but translates to one of the most potent influences on your bottom line.

Levels of technology partnership

1. No Partnership
2. Operational Partnership
3. Consultative Partnership
4. Strategic Partnership

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How is your technology helping you?

In the same way that HR should be transformed as the organisation's strategic arm, technology should also be HR's strategic partner. Technology partnership can be best described across four levels, defined in the increasing order of strategic benefit:

1. No Partnership

Having a technology or system in place that does several functions, but yields no value, is not a partnership.

Technology is merely used as a storage centre, with the data or information only archived but not utilised. Technology at this level has few value-added features and does not contribute to achieving the organisation's strategic goals

2. Operational Partnership

A first, and most basic, milestone in technology adoption, it automates operational activities, delegating substantial manual effort to technology, thereby freeing up valuable human resources towards more value-adding activities.

The system is loosely integrated with few opportunities for information access, feedback consolidation and policy revision. At this level the contribution from technology is passive as it facilitates operationally, but not tactically.

3. Consultative Partnership

At this level of adoption, technology is not only used for process automation, but also for information retrieval and consolidation into meaningful reports that aid off-line (human) decision-making.

The technology, at this instance, now becomes analytical – it provides operational and tactical assistance, but still defers review and analyses to its users. The system is more integrated with better information sourcing and some provision for feedback and revision.

4. Strategic Partnership

The highest level of adoption, which turns technology into an effective HR partner.

In this partnership, the system not only absorbs operational and information management functions, but proactively facilitates analysis of exceptions, employee buy-in, policy efficiencies and other tasks that reinforce HR's strategic role in the organisation. It allows clear understanding of how processes and policies help employees, and how they - in turn - help your organisation.

The system at this level is fully integrated, equipped with broad information sources that are collated in real-time and meaningfully presented. It offers strong feedback mechanisms and allows easy yet powerful revision of processes, policies and business rules.

Harnessing Proper Technology

Empowering HR as a strategic business partner, through and by use of proper HR technology and process management system, is the formula for building employee loyalty and maintaining a culture of excellence in your organisation, addressing your needs for talent attraction, retention and leadership succession, paying dividends beyond your expectations.