

Subject: Talent quest

The **Fast 100** story in a recent BRW includes a reminder to all organisations wanting success:

- 64% of the **Fast 100** suffer a shortage of skilled people – and it's getting worse;
- 49% of staff are “pushing” for pay rises.

It's no surprise that innovation is the spur to rapid growth in most of the **Fast 100**. About 75% of these companies have developed unique products or services, and they have created organisation cultures that stimulate innovative behaviour. However:

- Almost two-thirds of companies are lacking the talented employees they need to sustain innovation and profitable growth;
- The biggest issue for 2005-06 is hiring quality staff.

In this business environment, all employers who are keen on their success (or even their survival) will need to do whatever it takes to engage their talented employees. The **Fast 100** story is more evidence that quality staff are critical for profitable growth.

Keeping your people focused on business objectives requires a blend of “ingredients” that go beyond good remuneration. While financial reward is a key ingredient, of great importance are: challenging/ stimulating/ variable work; learning opportunities; personal growth & career development; recognition events for special contributions; leadership & mentoring; communication; co-worker relations; lifestyle & flexible work practices, etc. The priorities of Generations X & Y also need special consideration. (See The Age story, 26 October, Business p.14)

Among the **Fast 100** companies, some special efforts include:

- Sponsoring employees' children's sporting activities;
- Weekends on the Gold Coast;
- Employment anniversary gifts;
- Reduce weekly working days from 5 to 4 on the same salary;
- Variable start & finish times.

The ingredients that contribute to employee engagement will be different in every case – an employer's unique business strategy should always underpin a distinctive organisation culture. The innovative style of a **Fast 100** company may specify one basket of engagement ingredients, while a more “conservative” style may specify a different basket. For example, flexible work practices exist in 74% of **Fast 100** companies – somewhat higher than in the general market.

While the special efforts for your employees should be selected and delivered to suit organisation style, core remuneration programs also need to be tailored for style. For example, market leading R&D companies will often have:

- Generous salary based on career levels;
- Universal benefits & flexible conditions;
- Low short-term incentives;
- High, team-focussed long-term incentives based on growth targets.

Among the **Fast 100** companies:

- Employee share plans have increased to 38%;
- 81% issue bonuses;
- 51% pay “above average” salaries.

These three programs (along with selected engagement ingredients) should always be tailored to suit business style. Your quest for talent will be won if your basket holds the right blend of engagement ingredients.

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