Martin Thorley Merston Peters Ltd

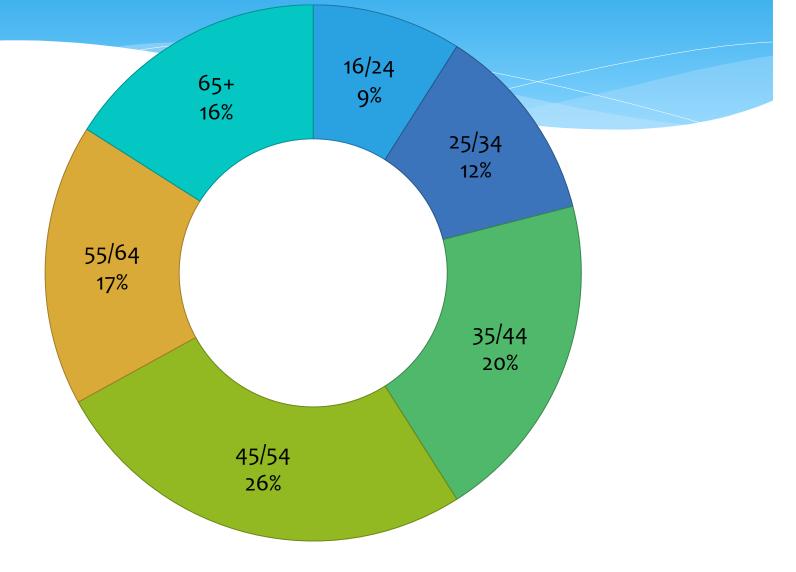
- \* 25 years in professional recruitment
- \* 23 with Merston Peters from employee to major shareholder
- \* Specialists within the agricultural supply sector at both manufacturing and distribution levels.
- Involved in placement of over 2000 individuals
- \* Predominantly headhunt based



- \* The Recruitment Market
- \* Toughest environment in 25 years experience
- \* Working ever harder to deliver the right result
  - Demographic pressure
  - Total lack of investment in last 15 years
  - \* Economic stress
  - Difficult housing market/real cost of relocation
  - \* Willingness of existing employer to play hard to retain
- \* Should be easier to keep your talent

#### \* Demographics

- \* 111,540 businesses employing 444,600 people
  - \* 97% of businesses employ less than 10 people
- \* 77% are Male
- \* 99% are white British
- You can already see some obvious areas of opportunity emerging



#### \* Demographics

- \* Over 55's represent 33% of the working population
- \* 146,718 people will have reached or surpassed retirement age within the next ten years
  - \* 71,136 are already working beyond 65
- \* 93,366 are under 35
  - \* The industry needs to recruit and develop 5000 new people per annum to meet the impending needs
    - \* Given the proportion already working beyond retirement age there is already a vacuum effect.

- In one way this pressure makes me one of the few happy people in the room.
  - \* Recruitment of competitors people is an attractive option.
  - \* Of the 50,000 plus people required
    - \* 11,000 in sales and customer service
    - \* 8,000 in managerial roles
  - \* The value of people is increasing
    - \* Market pressures always win
    - \* Poultry dressers featured in the top five salary increases last year up 13.9% to an average of £16,531

- \* Increasing values within a short market is a fact of life
  - \* The market always wins
- There are other alternatives to just paying more but it is worth understanding the market
  - \* Let's look at some graduate advertising examples

- \* £31,500 pa
- \* £10k golden hello
- \* Laptop
- \* AMEX Card
- Interest free season ticket (rail)
- Generous pension scheme
- Share purchase plan

- \* 30 days holiday
- \* 3 days charity leave
- Subsidised Gym membership
- Private Healthcare, life insurance and critical illness cover
- \* Maternity/Paternity leave
- Generous car cash allowance

\* Accenture, a leading management consultancy advertising within agriculturally linked websites.

- \* £25,000 reviewed every six months
- \* £1,500 joining bonus
- Relocation assistance
- \* Mentoring
- \* Cross functional development opportunity
- \* 21 days holidays, rising to 26 plus 8 statutory public holidays
- \* Professional qualification sponsorship BASIS/Facts

#### Closer to home

\* British Sugar agricultural graduate scheme

- \* Seen recently on an agricultural recruiters website
  - \* Trainee farm managers
    - \* From £10k

#### \* There is a positive light

- A recent ONS study into happiness found that people who work in agriculture, forestry and fisheries are the most content.
- The information has been amassed to help young people make informed choices about their future
- Maybe, as an industry we should be doing something to promote this.

- \* What is the greatest influence on retaining and developing your talent?
  - \* The management culture
  - It starts at the top and filters down
  - Not only impacting on employees but also your customer experience

- \* From a Chartered Institute of Management survey
  - \* 49% of employees have left a job due to a poor manager
  - Over half of these would rather have accepted a pay cut in exchange for a better boss
  - Interestingly 68% of bosses stated that they had fallen into the role by chance
  - \* 40% of managers did not want the responsibility of leadership
  - \* There are estimated to be 4.8 million managers in the UK
    - \* How do you and yours match up?

#### \* It's not just senior managers

- If you replace a low performing supervisor with a high performer, a team of nine will produce the output of a team of ten
- Interestingly the good habits of the high performing supervisor remain with the team once they move on
  - \* Up skilling of the team was considered more useful by the workers, ahead of motivational activities

- \* The leadership of an organisation is the greatest factor to attract, engage and develop the best people
  - \* What do employees look for in a leader?
    - \* Credibility
    - \* Trust
    - \* Communication
    - \* Consistency
    - \* Resilience

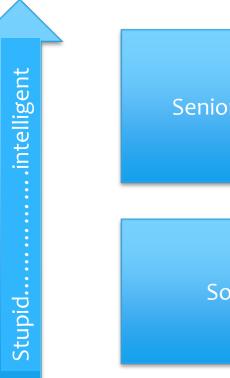
\* "A true leader has the confidence to stand alone, the courage to make tough decisions and the compassion to listen to others. They do not set out to become a leader, but become one by the equality of their actions and the integrity of their intent."

\* Douglas Macarthur

- \* Flexibility and creativity in remuneration packages is another area to consider.
  - Given an ageing working population and the desire to attract and develop new talent into the industry
    - \* A one size fits all approach is unlikely to be attractive
  - \* Consider what is important to different groups of people.
    - \* For younger people cash is king, the cost of bringing up a young family is ever increasing
    - \* For more mature employees, a focus on retirement and planning is likely to be more relevant.
  - Shifting the focus of remuneration and rewards might be cost neutral, whilst delivering benefits and increasing employee satisfaction. More importantly it shows that you care.

- Ensure that you employ the right raw material to develop into your future talent.
  - Recruit for attitude not skill
  - One client put it very succinctly
    - \* Give me a person with personality, intelligence and energy and they can achieve most things.
  - Psychometric testing has become commonplace in the recruitment sector, the ability to measure behavioural traits and compare against the working population.

- Back in 2200 BC records show that the Chinese Emperor developed gruelling physical tests to assess the suitability of warriors.
- At the turn of the 20<sup>th</sup> Century Sir Francis Galton a cousin of Charles Darwin developed the basis of todays recognised assessment systems. He had a fascination with individual's differences
- The following is an early assessment system known as the Prussian Army Model



Senior OfficersOfficersSoldiersDangerous<br/>Shoot Immediately

Lazy.....Active

- Training and development
  - \* Within the fresh produce sector there is a terrific example of collaboration.
  - \* MDS is a collective of over 25 companies, established over 25 years, that support a centralised recruitment and development programme
    - \* Includes major retailers, growers, packers and importers
  - \* Four 6 month placements, over 24 months, with supported learning and development and a Harper Adams accredited qualification
  - \* Now moving into the training and development of agronomists
  - It would be good to see other industry sectors collaborating in the same manner

- \* Summary
- \* There is a talent shortage that is getting worse
- \* There is no cure for ageing, succession planning is high on the agenda
- Your competition is getting stronger
- \* You need to be prepared to succeed, the best candidates have choices
- \* Work on the quality of your management, become world class
- \* Be flexible on how you attract and reward people, show that you care
- \* Be prepared to invest in success through training and development
- \* Growing new people is a long term strategy
- I never force anybody to leave their current role but merely identify the weaknesses within their current employers. There are some businesses where I know I will be wasting my time, the challenge is to make yours one of them.