

2018 Talent Management Award

WINNER: PHD Australia

Unlocking Smarts through Self-Leadership

Origins and principles

The media industry is fast paced and rapidly transforming. Although the sector has seen double-digit growth in workforce in recent times (+65% over 5 years), staff turnover has been increasing year on year with Media Federation of Australia (MFA) census reporting a record 37% turnover rate industry-wide. Moreover, disruption of traditional media channels such as television, radio and print in favour of digital, and clients moving towards procurement-led strategies have made navigating one's career more uncertain. From a people perspective, the impact is staff are not only leaving one media agency to join another, instead in recent years an ever-growing exodus of media professionals. In 2016, according to the MFA Census report over 50% of reported regrettable losses had left the industry altogether.

In a disrupted landscape, PHD Australia identifies as an industry leader. Having been twice crowned media agency of the year, in 2017, PHD was also the fastest growing media network. But although staff turnover had been lower than industry average for 3 years running, PHD were also victim of the same exodus with top talent choosing to leave media to pursue careers sometimes requiring a complete skill retrain. PHD's business vision was to be recognised as one of Australia's smartest companies by 2020. With talent management a large part of how they wanted to demonstrate their smarts, they decided mid-2016 to focus on talent leaving the industry as their key challenge.

Firstly, PHD identified this trend was most apparent for staff under 5 years' experience. In the first half of 2016, 78% of leavers were in the 0 to 5 years' bracket and over 25% of leavers pursued roles in sectors as varied as financial services and education. Despite having invested years studying media, there were similar stories from leavers: "I don't see myself in this industry long term" or "media isn't for me". From the many hours of interview conducted, the key theme which emerged was an overwhelming sense of disillusion with young professional's future career path.

In addition to their own data, the PHD People Team conducted in depth research into millennials' behaviours and motivators and identified ownership and flexibility as key intrinsic motivators for this generation. Ultimately, the findings echoed those of Deloitte's 2016 Millennial Survey: "Millennials want to feel in control of their careers" and "empowering Millennials might help retain them". Armed with knowledge about the workforce's uncertainty and needs, PHD set out on a mission to tackle the industry's talent exodus with an innovative strategy which could act as a trial for better engaging millennials.

Having identified a clear challenge with millennials' uncertainty pursuing media as a long-term career PHD developed a specific talent management program. The cornerstone of which was to deliver greater empowerment, ownership and flexibility for junior employees while helping them build the skills required to embrace change in a dynamic-market place. By arming junior staff with tools that help navigate their career in an increasingly complex environment, the company projected increased ownership and confidence would lead to greater talent retention and engagement. 'Unlocking Smarts through self-leadership' was presented to the PHD Executive Team in June 2016 and rolled out in the second half of 2016 & into 2017.

Implementation

The program includes 4 key initiatives – Careers Week, Smart Fund, Fly on the Wall and a relaunched flexibility policy.

The building block of the Self-Leadership strategy is Careers' Week, a series of career-focused workshops which aligns with the bi-annual performance review cycle. Each workshop is designed to help staff build career-critical skills such as giving each other feedback or identifying personal values and how to leverage them at work. Senior leaders in the business were invited to share their own career journey to inspire participants. The program called upon external speakers for extra inspiration including Executive Coach Mike Read delivering a workshop on taking ownership of one's career which got staff thinking about how they can influence their own career journey and personal growth. In the initial period Careers' Week was run 5 times and a different program was designed with the help of industry professionals and trainers each time. Consistently embedding productive conversations about career planning has resulted in all PHD staff having two career development sessions each year.

PHD also introduced a training fund for pursuing Smart learning opportunities called the Smart Fund. Off the back of their talent identification process which takes place after each review cycle, the top 10% of talent are invited to pitch the development project that will supercharge their career. Those invited to pitch are nominated by their manager and the executive team allocate funds based on relevance of the project to the individual's growth and alignment with our overall business goals. As a result, some of the brightest explored areas such as artificial intelligence and augmented reality and shared their learnings back with the agency. The benefits of this initiative have proven endless as they not only benefit retention & loyalty of top performers but also unlock business opportunities for PHD and further embed the agency's vision in the people strategy.

PHD introduced 'Fly on the wall', a shadowing program designed to encourage staff to learn skills beyond their day to day job and become more curious about expanding aspects of the industry. The introduction of a shadowing program allowed employees to explore some of these areas and build more knowledge and comfort to integrate emerging trends to their day to day. One such area was programmatic buying which has exploded in recent years and requires a different skillset to traditional media. Since the inception of the shadowing program, over 100 PHD staff shadowed colleagues, clients and media partners including 10 staff who shadowed Programmatic Traders and gained an invaluable insight into this growing media approach. Ultimately, Fly on the Wall allows employees to build perspective of how their day to day contribution ladders into their clients' media & advertising strategy. The program has also helped staff upgrade their skillset to evolve with the industry's rapid pace.

Although not a ground-breaking initiative by any means, the re-launch PHD's flexibility approach put a clear emphasis on making it available to all staff regardless of seniority. This stemmed from a key finding in research that ownership and responsibility would support loyalty & engagement. Access to flexible working arrangements was always a reality for staff with families at PHD. However, giving junior staff the opportunity to request sliding hours or negotiate working from home was a novelty, especially since the industry is known for making themselves available for clients at all hours of the day. The implementation of this extended policy required a re-set of expectations with clients which the PHD CEO and MD took head on and clear communication to staff about expectations for those choosing to work flexibly. Since the re-launch, an additional 20% of staff benefit from personalised flexibility including 17% of staff with less than 5 years' experience who shifted their start/finishing times to fit in with their personal interests and rhythm.

Benefits and Outcomes

The suite of initiatives implemented from July 2016 onwards showed promising results in addressing PHD's retention challenge and providing some solutions to pilot for the industry. A variety of data sources were used to measure results:

Internal Turnover: Since implementing the program PHD have witnessed a sharp decrease in staff turnover and staff exiting the industry. As the progress has been incremental, this was tracked on a 6-monthly basis (as opposed 12 monthly). In the review period post implementation of the strategy (from 1 July 2016 to 30 June 2018) PHD recorded 9% decrease in turnover rate for staff with less than 5 years' experience and 13% decrease in leavers exiting the industry altogether. This is supported by an overall decrease in turnover from 18% in the first half of 2016 to only 10% in the first half of 2018.

Satisfaction and Engagement: In addition to turnover which provides quantitative insight, the results of the PDH engagement survey were utilised for qualitative insight. Administered internally, the survey was open for a period of 4 weeks each year and has an average completion rate of over 80%. As the survey runs every year in May with the same set of questions, staff sentiment can be tracked just before the implementation of the talent strategy (2016 survey) and 2 years post (2017 and 2018). The evolution of PHD staff results on 4 key statements relating to job engagement clearly shows significant improvement. While in 2016, 59% of staff agreed with the statement there are "real opportunities for a meaningful career at PHD and the path is clear to me", this has grown to 70% in 2018. PHD also witnessed improvement (12%) in staff declaring "I plan to be working for PHD in 2 years' time" between the 2016 and 2018 surveys.

Industry Benchmark: Media I is an independently run initiative which surveys the whole industry on a variety of topics including staff engagement and benchmarks each agency against industry average. PHD's survey results over 3 years clearly demonstrate improvement in staff engagement overtime. What is more, the trend was contrary to the rest of the industry where growing discontent was witnessed. While industry-wide there was a decrease of 3% to the statement "I feel I have the opportunity for growth in my agency" between 2016 and 2018, PHD saw a 7% increase over the same period.

The program has yielded positive results for PHD and the learnings are currently being discussed with the MFA to inform a broader shift in how our industry engages millennials. This success enabled PHD to reinforce their position as one of the industry's smartest companies and better empower the next generation of media professionals.

Summary

In line with PHD's vision to be recognised as one of Australia's smartest companies, the talent management program 'Unlocking Smarts through Self-Leadership' was designed to change the way the company engages with millennials. By delivering greater empowerment, ownership and flexibility for junior staff PHD increased retention, engagement and satisfaction. In recent years, media agencies have suffered a growing exodus of talent which puts the sustainability of the industry at risk. Through research, PHD Australia uncovered a critical challenge in the millennial workforce's uncertainty pursuing media as a long-term career. In line with their vision to be recognised as one of Australia's smartest companies, PHD created a 4-pronged program delivering greater empowerment, ownership and flexibility for junior staff while helping them build the skills required to embrace change in a dynamic-market place. 'Unlocking Smarts through Self-Leadership' demonstrated a positive shift in retention, engagement and satisfaction of staff which was measured both internally and at industry level. The learnings of the program provide a starting point for the rest of the industry to re-think millennial engagement.