

Best talent management strategy

Winner Version 1

‘Marginal gains’ might not be the sexiest phrase. It probably won’t be making it onto Hollywood film posters any time soon. But in business, and when it comes to a comprehensive, overarching talent management strategy that stands the test of time and delivers solid competitive edge year on year, the concept is worth its weight in gold.

It was this focus on solid incremental improvement at IT services company Version 1 that turned our judges’ heads in this category. At its core the company’s talent management strategy is simple: find and hire the best people, develop them so that they advance, and then keep them for as long as possible. But, as a business that sells services not products and so heavily relies on high-performing people, the marginal gains focus is what differentiates Version 1 from its competition.

It all starts – as you would expect from an end to end, holistic approach to talent management – with recruitment. Version 1 approaches referrals slightly differently to most. Not only does the company reward the person who referred the candidate that is successfully hired (£850), it also rewards the team that they are about to join (£200), and the team of the person who did the referring (£200), so that it’s a collaborative effort to find great people. The result: 35% of hires in 2016 came through a referral.

Similarly impressive wins have come courtesy of a graduate recruitment programme growing year on year, and a focus on direct recruitment to save costs. A rigorous, scientific approach is at the heart of search and selection. Many companies use psychometric assessments, but Version 1 has developed a set of unique assessments in partnership with Mindmill. A cognitive assessment, which measures natural ability as opposed to academic ability assesses ‘working memory’, while a core values assessment examines cultural fit.

Meanwhile the firm’s Acorn programme identifies senior talent through referrals and

market-watching, so as not to miss out on passive candidates. So convinced is Version 1 of the power of the right people, if somebody is ‘the right person’ the company hires them whether there’s a vacancy or not.

Next it’s all about strong development of existing employees. Version 1 recognises that tech professionals typically expect that they will develop and advance, because of the competitive marketplace and because they need to constantly keep their skills updated. So training and development is never allowed to slip down the priority list.

Those all-important marginal gains are delivered here through a capabilities function that is run completely separately from the business, with a dedicated head of capabilities. Version 1’s capabilities budget is £800,000 and does not include training spent by central L&D, which is a separate budget.

Shortlisted

Anchor Trust

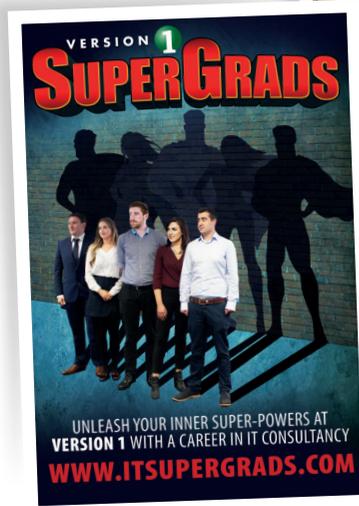
Costain

DHL Supply Chain UK&I

Northern Gas Networks

Tata Consultancy Services

Virgin Money



Activity

here includes a team leader development programme, quarterly performance conversations designed to be frequent enough that issues aren’t allowed to ‘fester’, a rotation focus so employees can try out working

in a different part of the business, and a management taskforce that allows employees to come together in an attempt to solve business problems.

The results have been impressive to say the least. Version 1 boasts a market-leading attrition rate and admirable internal promotion stats. Crucially a concerted, consistent approach to people can be tracked straight to the bottom line. In the last 10 years the company has grown in revenue from £10 million to £65 million, in employees from 120 to 900, and in profit from about £800,000 to roughly £10 million.

Our judges saw the value of this understated but truly excellent strategy immediately, complimenting the team’s conviction in not jumping to “the next new thing” and praising this as an approach many in HR could learn from. “This really stands out,” said one judge simply, with another praising its “good attention to detail” and “broad, comprehensive, sensible, ongoing focus”. Proof indeed that, when it comes to business and life-enhancing HR, consistency really is king.

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