



HoltbyTurner

The Changing Face of Loyalty

—

An Insight by Holtby Turner Executive Search





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“Loyalty is not just measured by the number of years served: it’s the commitment of an individual, their unique contribution and the legacy they leave behind.”

— Lizzie Gourd
Associate of Research & Insight at
Holtby Turner Executive Search



The Changing Face of Loyalty

Liz Peace CBE, ex CEO of the British Property Federation, Non-Executive Advisor at Holtby Turner Executive Search, explains what loyalty means today and why it is important.

Does your heart sink when one of your employees comes sheepishly into the office and announces that they have been offered a new job and will be off once they have worked their notice?

What goes through your mind – a sense of betrayal, feeling wounded over their lack of loyalty or, more pragmatically, an inward groan at all the effort you will now have to expend to find a replacement?

We have all been through this – and sometimes on the giving rather than receiving end. But we have probably not stopped to think very deeply about how employee loyalty is changing and the consequences of it for our business. And perhaps we are also too slow to appreciate the benefits that a more mobile workforce brings.



“People moving on should also be seen as an opportunity to create ambassadors.”

— Liz Peace CBE

Once upon a time, if you had a good job then you expected it to be for life. But that is not how younger generations think – indeed the much talked about ‘millennials’ are increasingly restless and do not expect to stay in one place for more than 3 or 4 years. And can you blame them? If they are going to have to work until they are 70 plus, then it is not surprising that they will want variety, increasing opportunities for self development, even complete career changes.

So how should the employer cope with this increasing turbulence in the workforce?

Firstly I would suggest that it is important to have the right attitude to people movement. Departures should not be seen as a cause for despair but rather as an opportunity to re-think areas of the business, to redesign systems and structures and to offer different challenges to existing staff. People moving on should also be seen as an opportunity to create ambassadors for your product or service – provided of course that you have been able to offer a positive employment experience.

Secondly, and developing that latter point, leavers can provide a useful and perhaps sometimes painful audit of company culture and practice and how it is perceived both internally and by external stakeholders. So if you are keen to improve your business, it is vital to conduct a proper and thorough exit interview. If you don't feel strong enough to be told the truth directly then get somebody from an outside consultancy to do it for you.

And thirdly, employers need to make sure they have the right sort of internal support services and external advisors to move swiftly to manage the hiring of new people – so that it is not a chore but rather an exciting way of adding new dimensions to the business.

The Changing Face of Loyalty explores some of these issues together with many more and offers valuable insights into how we should deal with the changing face of loyalty in our working population. Mobility is a new given so it is important we are all prepared to manage it, to embrace it and to create business advantage out of it.

I hope you will read, enjoy and then join the debate!

One Family. One Team. One Loyalty.

Toby Turner, Founder & Managing Director of Holtby Turner Executive Search, sits down with Steve Hollingshead, CEO of [J. Murphy & Sons Limited](#), to discuss vision, values, and loyalty.

Murphy is built on solid foundations at its impressive headquarters in North London. More than just bricks and mortar, this leading global engineering and construction company is upheld by core values of teamwork, integrity, and mutual respect. But what does loyalty mean to Steve Hollingshead, we ask? "It means delivering on the promises I make – whether that's to our employees, clients or stakeholders. I believe loyalty is about being truthful, honest and authentic. That's how I feel personally, and that's how we do business here at Murphy."

"Change is not about discarding the past: it's about understanding the strength of the past and then improving on it."

— Steve Hollingshead
CEO of J. Murphy & Sons Limited



Toby Turner: You've recently released your ten year plan outlining impressive plans for growth, trebling the size of the business and increasing turnover and profitability by 2025. How do you intend to protect Murphy's vision and values during this period of change?

Steve Hollingshead: First of all, it's important to understand that change is not about discarding the past: it's about understanding the strength of the past and then improving on it. Change ought to be seen as a real positive, but unfortunately it can sometimes be seen as a negative. Continuous improvement is how I would prefer to look at it.

Our vision and values were an essential starting point for the ten year plan. Three or four years ago, Murphy engaged a third party to come into the business and facilitate a conversation, to establish and put into simple terms what was the vision of the business

and its core values.

That was a very effective and meaningful exercise because it got all our employees engaged at all levels of the business.

Now as long as we stick to our operating model, which we fully intend to do, we'll be true to our vision and values.

I think where businesses lose their sense of purpose is when they change their operating model to support the financial metrics.

What we have to be really clear on, as a business, is the reason for change – because

not everyone is aware of the need for change or continuous improvement.

This is one of the most important things that we do: looking at how to form the most effective channels of communication to bring things into sharp focus and make them relevant to everyone within the business. We've got a great communications team now, and I'm absolutely confident we'll get there, but you can't just say something once and expect everyone to get it! You've got to reach out, you've got to form communities, collaboration networks and so on, to get the message out there.

Toby Turner: Murphy's got one of the strongest reputations in the industry for a positive people culture, from your 'one family, one team' approach to your 'never harm' policy. How do those policies engender loyalty among your employees, and why are they important to larger business objectives?

Steve Hollingshead: One very clear imperative around the 'one family, one team, one Murphy' ethic is to work together, sharing our knowledge and capabilities across the different projects we work on. Another thing we do is look after each other and that's where our never harm policy comes from.

It's a deep-rooted cultural value of the business and has been a tremendous vehicle in our cultural development programme, to bring people together under one banner effectively and unite people around what is good. I think it's policies like these that help to generate engagement and loyalty within a business at all levels.

We're not just talking about loyalty to a brand, we're talking about loyalty to each other as we work as a team.

These are the reasons people stay with the business: it's that shared experience, that shared desire to deliver great projects – that's the important stuff, in my view.



Toby Turner: How does Murphy engender loyalty among its employees in the main, and how does it earn loyalty from clients?

Steve Hollingshead: Loyalty with our clients is generated through great delivery – there’s no doubt about that. There is a real appreciation from our clients that when we do the work, they feel comforted by the knowledge that we’re going to do a good job, they’re going to get the job delivered, and there’s going to be a good relationship there: it’s not going to be a difficult process. I think that’s a great reputation for a business to have, and it’s reflective of the culture developed by John Murphy many years ago. He was a man of his word and he wanted to develop a business that delivered on its promises.

In terms of generating loyalty among our people, it’s very much about delivering on your promise around continuity of employment. I see that played out so many times in this industry through recessions, and how many times this industry jettisons people – it’s shocking. The industry needs to learn its lesson, because in the last recession we lost about four or five hundred thousand people from the UK construction industry, and they never came back. We have to create new opportunities regionally and internationally because if we don’t grow, people will only see glass ceilings and no development. If you’re growing, you’re changing, and that can only be a good thing.

Toby Turner: Given the traditional family nature of Murphy, loyalty must be a primary cornerstone of the business. Do you view this as a reciprocal dynamic between employer and employee?

Steve Hollingshead: It is reciprocal – of course it is. What we want is for people to join Murphy to have a great career. We don’t take people on for the basis of one contract, although there are many companies out there who do; we bring people in on a long term contract, with the promise that there is a long term career for them at Murphy.

I want to make sure through our matrix organisation that people who join in one area of the business have the opportunity to move across different functions, sector streams, and aspects of delivery. Because if people want to come and invest their career in Murphy, we’ll invest in them for the long term.

Another interesting point is that there are different kinds of loyalty within a business, not just between employer and employee. If you look at why people stay with businesses even during difficult times, they stay there because they’re supporting their team. Then there’s a loyalty to the heritage as well to consider, to what they’ve worked hard to build during the course of their career.



“We’re not just talking about loyalty to a brand, we’re talking about loyalty to each other as we work as a team.

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*— Steve Hollingshead
CEO of J. Murphy & Sons Limited*





Toby Turner: A recent government survey indicated that the construction industry needs to work harder to attract young people, who tend to view the industry as old fashioned and not very dynamic. Looking to the future, what can be done to change that perception?

Steve Hollingshead: There are all sorts of issues that prevent our industry being an attractive employer in modern society and we must work a lot harder to make construction and engineering more attractive. We want to develop our younger staff, who are hungry for challenges, energised and see change as a positive thing. We offer lots of opportunities through in-house training as part of our award-winning Murphy Academy, mentoring schemes, and on our graduate and apprenticeship programmes.

At a fairly superficial level, we think of young people and millennials being attracted to high-tech industries, and construction isn't viewed as a high-tech industry. But in actual fact there is a huge amount of technology involved in construction – particularly in infrastructure projects. I think we need to advertise that in a more intelligent way. Construction is too often seen as just bricks and mortar and concrete structures, but actually when you look at smart railways or motorways, there's a high degree of modern digital technology involved. This includes business information modelling (BIM), a real focus for us, which draws on many of the skills that young people who've grown up surrounded by technology already have.

“There are different kinds of loyalty within a business, not just between employer and employee.”

— Steve Hollingshead
CEO of J. Murphy & Sons Limited

We've also got to tell more good stories about the great successes modern infrastructure can bring, notably in terms of economic growth. That means celebrating programmes like HS1 and HS2, the launch of Hinkley Point power station, as well as the expansion at Heathrow. I get the impression whenever one of these programmes is launched that there's a lot of negative publicity around it, and that impacts the view people have of the construction industry. Whereas in hindsight, we always celebrate these achievements. How could we have ever lived without the Olympic Park, for example? I go there often and it's tremendous – especially when you think of what was there before. You go there now and there are fantastic, world-class facilities that really improve our society. So if that wouldn't get a young person out of bed in the morning, to be part of creating something like that, then I don't know what would.

The Future Of The Modern Workplace

Charlotte Murdoch is a Director of York Street. She chaired a roundtable with leading academic in people-centred design and innovation Jeremy Myerson, Director of [The WORKTECH Academy](#), Liz Close, Managing Founder and MD of [Generate Studio](#), and Neil Usher, Workplace Director at [Sky](#).



“When designing it’s about being sure that you’re listening to exactly what your customer wants, because you can’t force everyone into the same model: it doesn’t work.”

— Liz Close

Managing Founder and MD of Generate Studio

Self-confessed design enthusiast Charlotte Murdoch sits down with our panel of experts to discuss how the modern workplace impacts loyalty. The first to arrive is leading academic Jeremy Myerson who recently launched [The WORKTECH Academy](#): a new global community for the future of work and workplace. He is followed by Liz Close of Generate Studio, responsible for some of London’s most innovative workspace designs, and last but not least is Neil Usher, who has recently unveiled Sky Central, complete with 24,776 plants and Britain’s first cashless supermarket.



Jeremy Myerson



Liz Close



Neil Usher

“The relationship between office design and loyalty is quite a strong one, as the perks of modern office design can be used to generate loyalty.”

— *Jeremy Myerson*
 Director of The WORKTECH
 Academy

Charlotte Murdoch: By general consensus it seems that the tech world is largely responsible for our modern fascination with workplace design. Can the same creative principles be applied to every industry and sector?

Liz Close: The modern workplaces that we design at Generate Studio are more and more about the spaces that aren't the desk; so it's about the places that you offer which are outside your traditional working model. The principles are common, but the application and design can vary enormously – whether that's a young tech startup who want a ball pit, or someone like our partners [Workspace Group](#) who opted for libraries and quiet zones. When designing it's about being sure that you're listening to exactly what your customer wants, because you can't force everyone into the same model: it doesn't work.

Jeremy Myerson: This relationship between loyalty and workplace design is very interesting because if you look historically, offices were not a reward for employees, they were functional places of administration. What's happened in the last 15 years is the evolution of the networked office, where the clerical work has been largely eliminated or computerised and replaced with digital knowledge work. You don't necessarily need to be in the office for digital knowledge work, so the workplace has become much more of a destination: a social landscape incorporating the different elements you'd expect from a social landscape, with more emphasis on cafés and public areas, shared work spaces, team rooms and break out areas. So the relationship between office design and loyalty is quite a strong one, as the perks of modern office design can be used to generate loyalty.

“Modern workplace design is a tool for attraction and retention.”

— Neil Usher

Workplace Director at Sky

Charlotte Murdoch: In his recent opinion piece on Forbes.com, entitled ‘Why Are Millennials So Hard To Manage?’ millennial and startup founder Chris Myers of BodeTree suggested that modern workplace design encourages narcissism and entitlement among millennials. Do you agree with this sentiment?

Neil Usher: There’s something very important going on here that nobody’s talking about, which is that these days you’re productive the moment you walk in the door. If you think about the jobs people did many years ago, it took them quite a while to get to know systems and processes. But with today’s technology, it’s actually much easier to move between jobs, because you can be productive pretty much the day you arrive. So people and their skills are much more portable, and it seems misplaced to blame the workplace for that.

Modern workplace design is a tool for attraction and retention, and we’re seeing the benefits of that already at Sky Central when people walk through the door.

Jeremy Myerson: I don’t think modern workplace design is responsible for undermining loyalty in the workplace. It’s part of a bigger cultural ecosystem which has all kinds of factors and fault lines. Employees today define themselves by their knowledge and expertise, whereas forty years ago they would have identified themselves with the brand of whichever company they worked for. People don’t do that anymore – they talk about their knowledge, and that’s portable.

It’s a very 20th century thing to have loyalty to one employer: these days your loyalty is to yourself and to your own expertise. You’ll go wherever you can get the best training and mentoring experience – not simply the best coffee.



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— *Jeremy Myerson*
 Director of The WORKTECH
 Academy

Charlotte Murdoch: Looking to the future, what is the next significant change with regard to workplace design which might help employers engender this loyalty that they’re after?

Jeremy Myerson: I envision there will be more sophisticated co-design processes. Participatory design is well-evolved in things like community development, consumer goods development, and other forms of interiors, but it’s not been well-evolved in workplace. With new tools and techniques, gathering information and feedback, I believe the soft sciences are going to become really important in workplace design over the next few years.

Neil Usher: We used to think of particular spaces performing particular functions, whether that was retail or leisure or residential. But what I see beginning to happen now is that we view space more as a whole – so in the future if you’re asked to design a boutique hotel one week and someone’s house the next, you won’t work from a different model, you’ll just approach it as space. I think those boundaries will continue to erode, until we just think of workplace in flexible terms and can perform multiple functions in that space.

Liz Close: My hope for the future is less waste in design and more thought put into the longevity of what we’re creating. I agree with Neil’s point about thinking about the whole space, but it’s thinking about the whole lifetime of it, too. That requires real awareness of the impact your designs have on the planet. It’s something I hope future designers and employees will be seriously mindful about.



The Generation of Brexit and Beyond



Max Shepherd, Director of Funds & Investors at Holtby Turner Executive Search Search speaks with Guillaume Cassou, Head of European Real Estate at [KKR](#), Noel Manns, Co-Founder and Principal of [Europa Capital](#), and Rob Bould, NED at [IP SX](#) about the impact of Brexit on the future workforce.

With speculation over the US presidential elections and Brexit, a shadow has been cast over 2016 that has stalled real estate investment and development in the U.K. Amidst this political uncertainty come unsettling times for Britain’s industries and the vast swathes of employees who work here.

I asked three leaders of real estate investment management firms how these current events will test the loyalty of the sector’s rising stars, and if we will experience a shortage in millennial talent within the UK?

“Unless someone is tied to a specific location for family reasons, then job opportunity comes above location.”

— *Guillaume Cassou*
Head of European Real Estate at *KKR*

Brexit: Impact & Perspective

KKR, similar to many major US investment firms, has large operations in London with 200 plus staff and 120 qualified professionals, with a minority being UK nationals and the majority coming from Continental European countries. KKR believes this wide diversity in nationalities, cultures, and languages offers huge value to their clients, and they are proactive in ensuring their London team has people in it from each of the countries where they are investing.

I asked Guillaume Cassou how he feels three months on from the EU referendum. "The honeymoon period is

over," he told me. "September brought with it tough talking from the government, and a move towards a 'hard Brexit'. This would be bad news for the UK economy, with no benefit coming from a hardline stance."

Noel Manns asserts that it will be government policy that's going to be key. It is pivotal that the government presents its strategy clearly and concisely, both to the UK and overseas.

Feeling optimistic post referendum, Rob Bould sees sentiment improving and

markets recovering. His view is that Brexit is being used by some as an excuse for pricing corrections and volume drop, which experts have speculated was coming anyway. Volumes of transactions may not have yet recovered but he foresees those returning by early 2017. "We are seeing new overseas investors coming in and readying themselves to take advantage of the market conditions."

A Mass Exodus Ahead?

Guillaume Cassou believes that top talent will go to wherever the opportunities are: "If those are in Berlin or Paris, then that is where they will go".

However, Rob Bould is confident the opportunities will remain here. "The UK market remains the biggest and most attractive in Europe. The language of business will continue to be English - people are not going to suddenly translate legal contracts into French or German."

Grounded optimism is also shared by Europa Capital's Noel Manns: "people who love living and working in London will not suddenly up and leave for Frankfurt. Remember, there are more people employed in London banking than there are living in the whole of Frankfurt." Manns thought it unlikely a noticeable difference would be seen anytime soon. "Hopefully in a couple of years, things will have settled down and firms will not need to move their people anywhere."

Guillaume Cassou is not so certain. He points out that the argument that London is the place everyone wants to work is a proposition that should never be taken for granted. Remembering the 1990s when London certainly wasn't the coolest place in Europe, in his opinion it's taken 15 years or so to brand London as a dynamic and inspiring place to live and work. "It won't happen overnight, but Berlin or Paris could undertake the same transition London has achieved."

Opportunity vs. Location – Where Does Loyalty Lie?

Guillaume Cassou's view is that career-orientated high achievers will have more loyalty to a company than a country. "Unless someone is tied to a specific location for family reasons, then job opportunity comes above location. The majority of KKR's employees in London chose to work for us because we offer truly exciting careers and a dynamic environment to grow. They are not here just because of London."

Believing loyalty stems from a multitude of things, Noel Manns says it can't be oversimplified. However, a well-designed stylish office in a great city and prime part of town can go a long way. Alongside this, "Europa have tried to create a strong partnership culture so people feel ownership of the business."

"Culture is key," Guillaume Cassou agrees. "At KKR, we have created a culture centred around a strong sense of 'team' that carries through to how our performance is rewarded. Everyone is rewarded in the business's successes, not purely the leader of a transaction."

"Making sure KKR's executives don't get bored, we keep them challenged and give them room to grow. For senior managers at the top of their field, we deepen engagement by creating new investment strategies they can help to develop."

Loyalty is a two way street

Rob Bould is of the view that too much attention is on millennials and simply how their attitudes have changed. Focus should shift to the way employers have also changed their attitude and behaviour toward their staff. Loyalty is strongest when it is reciprocal.

“Go back 30 years and firms behaved very differently – they were more nurturing towards their employees, often with a family feel. Today’s multi-nationals struggle to nurture and create a sense of togetherness that creates loyalty. Also, technology is changing the workplace; people are now accessible 24/7, 365 days a year. This culminates in faster burn-out rates with employees, quite rightly, feeling exhausted and eyeing opportunities elsewhere.”

A Good Kind of Churn

Churn is part and parcel of a healthy business culture at KKR. “There’s always short-term pain and stress when someone leaves. But long term, there can be much to gain by giving others opportunities to grow or step up into a role with more challenge and responsibility.” Guillaume Cassou’s views align with the consensus for management today that employee movement encourages positive shifts in perspective, productivity and performance too.

“Technology is changing the workplace; people are now accessible 24/7, 365 days a year. This culminates in faster burn-out rates with employees, quite rightly, feeling exhausted and eyeing opportunities elsewhere.”

— Rob Bould
NED at IPSX

Do we think Brexit will create opportunities or force our finest talent to leave?

Rob Bould feels the UK remains the gold standard to the real estate market, because of its scale, depth and transparency. “For Britain to give itself the best chance of continuing to be an attractive place to do business, we need to continue to be competitive on tax but also it needs to remain transparent and clear on the decisions that are made.” (e.g. passporting, work permits, tax etc.)

Sharing this view is Noel Manns: “As long as the UK remains competitive on tax and continues to be welcoming and more transparent than European counterparts, then we will remain an attractive business hub. It is a lot easier to start a new business and get set up here compared to other European countries.”

Manns went on to say, “Real estate has shown its resilience in the face of major macro events, because the majority of people in the sector are opportunistic and entrepreneurial.”

For Guillaume Cassou, the biggest risk he sees in attracting talent won't be Brexit: it will be losing top league stars to other industries. “Competition comes from the tech innovators, not competitors in real estate or banking,” he reveals. “There are similarities today to how people viewed the finance industry in the 80's and 90's. It was the exciting industry that everyone wanted to be a part of, but today the tech industry is a tough competitor.”

For real estate investment, post Brexit will be a critical time with no room for complacency: loyalty, in millennials and beyond, will depend on firms investing in personalised training and development, shared involvement in the organisation's values, and an adaptive, employee-centric workspace design.

“As long as the UK remains competitive on tax and continues to be welcoming and more transparent than European counterparts, then we will remain an attractive business hub.”

— Noel Manns
Co-Founder and Principal of
Europa Capital



The Heart of the Matter: Human Resources at Land Securities

Alexandra Sturdy, Director of Property Companies at Holtby Turner Executive Search, explores the evolution of HR with Sue Greenland, Head of HR - London, Group and Reward at [Land Securities](#).

Gone are the days when Human Resources was a marginalised support function within businesses. In the switched-on property companies of today, it needs to be at the very heart of decision-making, and for Sue Greenland at Land Securities, it's personal. "I feel loyal to the business because they allow me to be accountable for what I'm here to do," she explains candidly with a robust sense of optimism. "It's about the investment that they make in me as an individual and in my team - whether that's through training, career development, or investment in leadership programmes. I feel that I have quite a lot of autonomy over both creating a job and an environment that I enjoy working in, and one that others hopefully do."



"People want to have a very clear connection with the company they work for and its purpose."

*— Sue Greenland
Head of HR - London, Group
and Reward at Land Securities*



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Alexandra Sturdy: Land Securities has a fantastic market reputation for positive HR and people policy. Could you tell us more about the 'Our People' strategy? What has been your proudest contribution to-date?

Sue Greenland: When I joined there was a real focus on how do we deliver a high-performing organisation? Of course, we have brilliant people that are highly capable technically – but we wanted to give more capability, more confidence to our managers and leaders, and really get them to think about the workplace as it is now. I think part of the question of loyalty is that people want to feel that their employer is making an investment in them personally, as an individual. So by developing this coaching, mentoring culture within our leadership and management team, we aligned the business much

more with the expectations of our employees in terms of their development. Alongside that we did some pretty high profile work on our values and behaviours, because I think people want to have a very clear connection with the company they work for and its purpose. While in this process we didn't actually change the original values of the business, we did add one, and that was accountability.

Alexandra Sturdy: In your opinion, what is the role of HR in building a relationship of trust and loyalty with employees in a business?

Sue Greenland: I think previously there was a disconnect between HR and the business: there wasn't much engagement in terms of the business strategy and decisions around people. And what we've done as an HR function is develop those relationships and build credibility. We spend a lot of time with our client group and sit on the Executive Committee. We're not just inputting towards people-related decisions now, but we contribute more widely across the business – whether that's around signing off on an investment decision or a development decision.

In HR, I try to attend all the functions that go on around the business, as do my colleagues. Having that visibility and those relationships builds our credibility. It's always a fine balance when you're an advocate for the business and the employee, but I think we've got the balance right.

Alexandra Sturdy: You are one of the largest – if not the largest – commercial property developer in the UK. What challenges does this pose in relation to talent management and retention?

Sue Greenland: The biggest challenge with retention is that our employees are being approached all the time! Headhunters and other organisations know that we employ great people, so we're mindful that there is constant interest and approaches being made. As a fairly small organisation with only around 650 staff members, the opportunities for people to progress are fairly limited. On the other hand, we're a small organisation so we can be more creative and flexible in what we offer. We get to know our individuals very well, so if someone wants to move into a different role or team, we know if they've got the right skills set even if they don't have the technical experience. People are unlikely to find the career development opportunities or indeed the flexibility that we offer elsewhere, I believe.

Alexandra Sturdy: How would you describe your employer brand and do you think that's evolved in the past few years?

Sue Greenland: We have a very clear and credible brand strategy now. The general consensus is that everything around our strategy makes sense and sounds robust, so if we do have another economic downturn, it feels like Land Securities is a safe place to be. The message that we're investing in people is definitely known in the market, and beyond. Plus there's a general view that at Land Securities we look after people – whether that's through career development and training or the competitive benefits package that we offer.



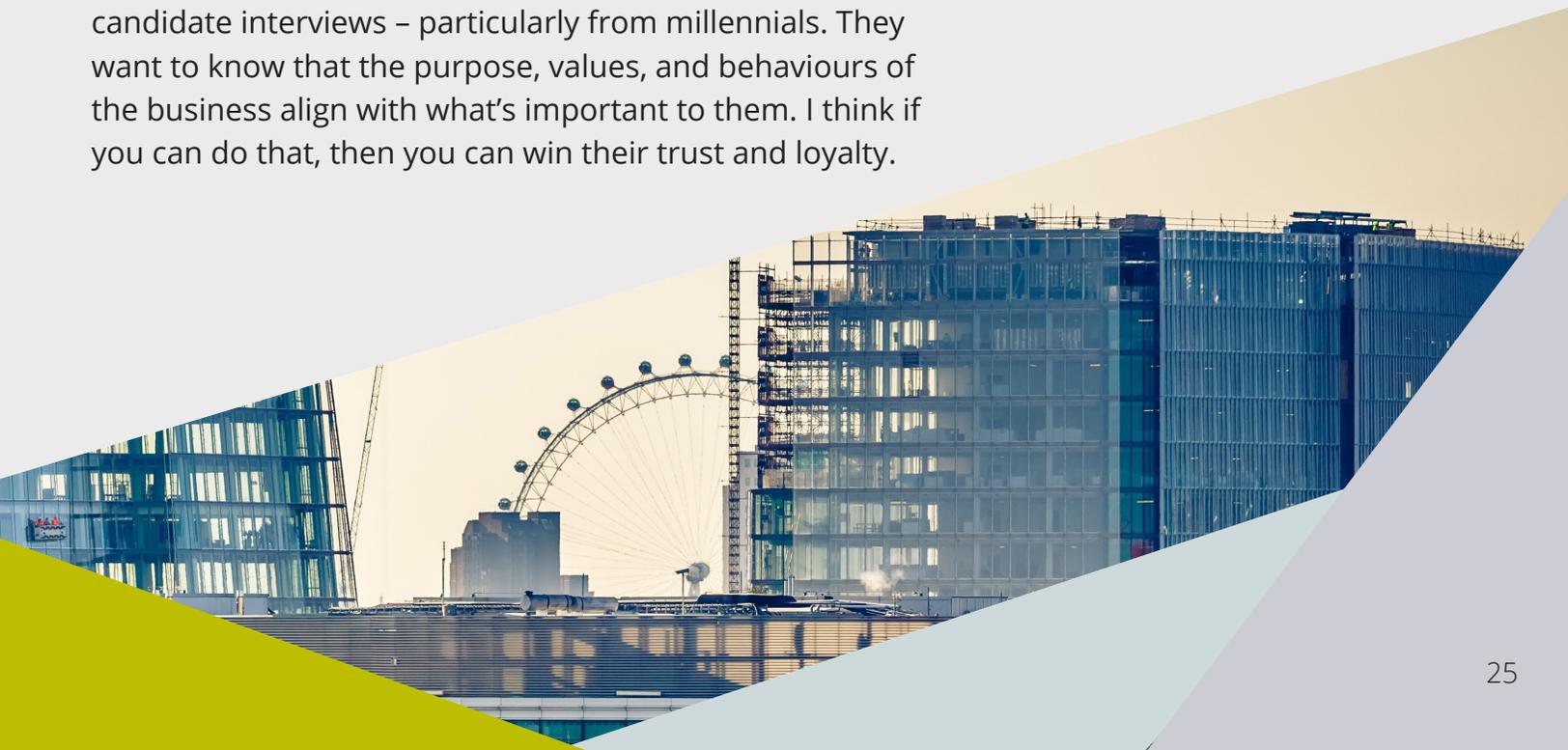
Alexandra Sturdy: Land Securities are one of the best in the industry for their commitment to gender diversity – you’re currently ranked 5th among the most improved companies within the FTSE100. How far does that commitment to diversity help foster loyalty among your people?

Sue Greenland: Diversity is an industry-wide problem and we try to be very proactive in this area. Two years ago we did a mapping exercise which revealed there were very few women in development. We decided that we had to do something – we knew it might take a generation to change, but we had to do something. So, it was a matter of going through networks of people and looking at where there was young female talent, and in the space of six months we made three brilliant new hires. We do a huge amount of work around inclusivity and the LGBT community as well – in fact, we’re due to have a meeting in a couple of weeks’ time to discuss what more we can do.

People will be loyal to organisations who go the extra mile and invest time: whether that’s around diversity or development or engagement or sustainability. You get a lot more probing questions in these areas during candidate interviews – particularly from millennials. They want to know that the purpose, values, and behaviours of the business align with what’s important to them. I think if you can do that, then you can win their trust and loyalty.

It’s not just a diversity of gender, ethnicity, sexual orientation that we’re working towards: we’re also trying to encourage diversity of thought and innovation.

Gone are the days when you can simply look at your own industry for how to be the best. Customer service is a good example of this, as we’re going out to other industries and looking at those organisations that are really seen as best in class in terms of customer service, rather than best in class in property customer service.





Alexandra Sturdy: We're noticing that millennials are increasingly mobile and restless, and unlikely to commit themselves to one company for longer than 3-5 years. Is this something you've struggled with at Land Securities, and how are you managing to retain young talent?

Sue Greenland: It's important to recognise that if someone comes in and works for you for five years, does a brilliant job, and then leaves, that's not a bad thing. It's a reality of the workplace now: they won't stay for 20-30 years because they want different experiences.

We are looking at how we can create opportunities that retain young people within the business, while giving them different experiences so they don't have to go off and work for another company. One example is a graduate within my team who joined us three years ago, and whom we've just sent out on secondment to Debenhams. So she'll come back to us in December having had two months' completely new experience of working in retail, with its different HR challenges, ideas and ways of thinking. She'll be able to support our retail team, too, having gained that valuable experience.

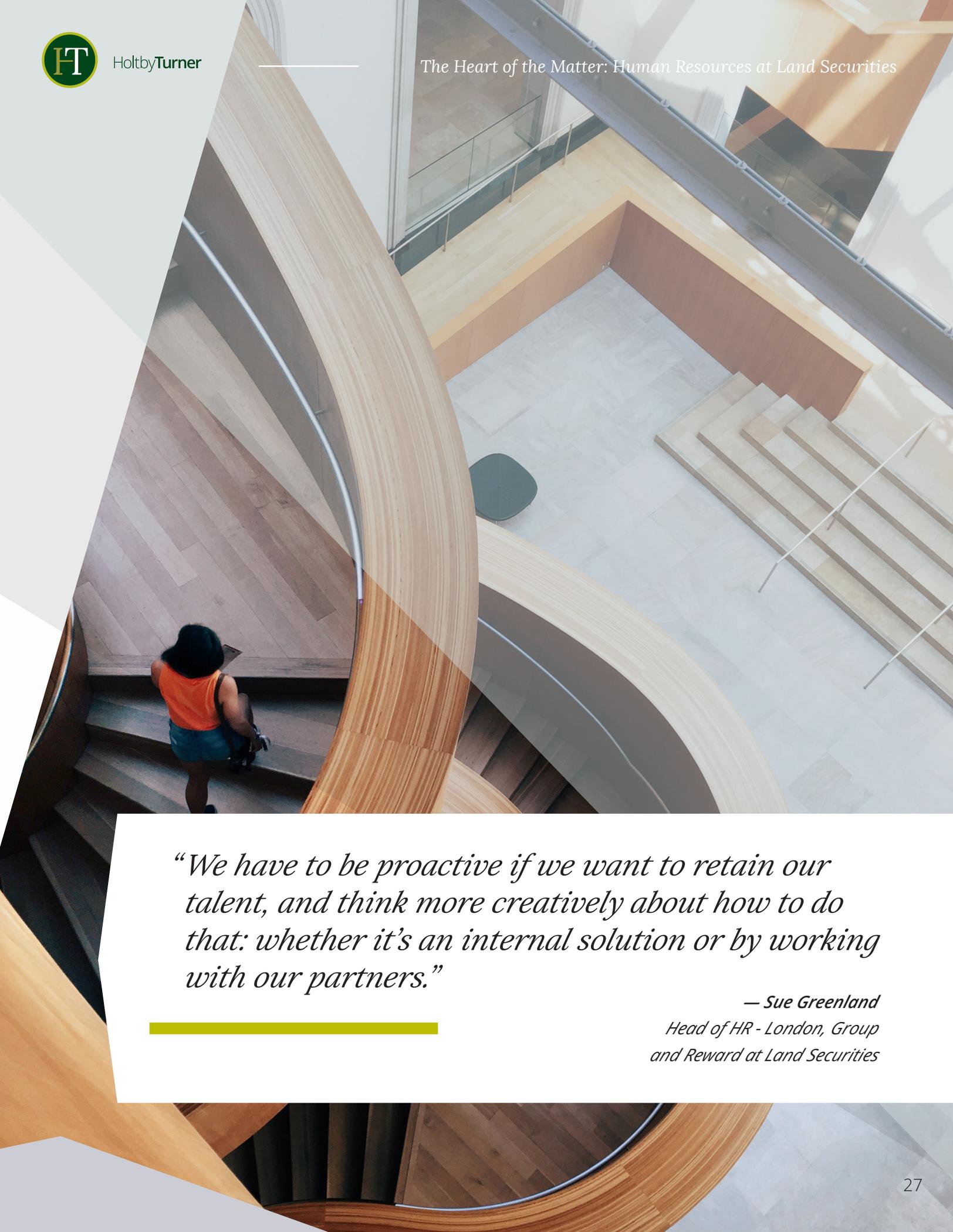
We have to be proactive if we want to retain our talent, and think more creatively about how to do that: whether it's an internal solution or by working with our partners.

Alexandra Sturdy: Looking to the future, how does Land Securities intend to continue attracting and retaining the brightest talent in the industry?

Sue Greenland: One area that's been hugely helpful is working with partners we know are going to deliver the best candidates – consultants whom we know and trust, and who understand what we're looking for. That helps us in getting the best people out there.

In terms of attraction, we are looking at our benefits package, which is competitive but it's a bit one-size-fits-all at the moment. And the reality is that with four or five different generations of employee in the workplace, you should be offering some flexibility. For some people it's important to have a gym membership, for others it's a really good life insurance policy.

For retention, it's doing more of what we've started already: making the performance and development piece much more individual, and being creative around opportunities. It's about being innovative with the environment people work in, too. Our people want to work in an environment where they can collaborate and socialise, where they're not tied to a particular desk, where they have opportunities to lead a healthier lifestyle. We have a great opportunity with our move to 80-100 Victoria Street next year to enhance our health and wellbeing offering and improve our social, collaborative spaces, so I think this will be a big piece for us in the future.



“We have to be proactive if we want to retain our talent, and think more creatively about how to do that: whether it’s an internal solution or by working with our partners.”

— Sue Greenland
Head of HR - London, Group
and Reward at Land Securities



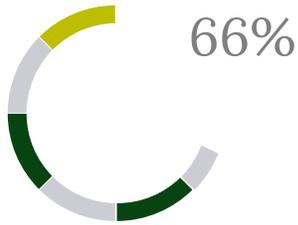
The Deloitte Millennial Survey 2016: Key Stats

According to *The Deloitte Millennial Survey 2016* published earlier this year, millennials are showing employers loyalty with marked differences to the way it's traditionally been understood. Throughout the noughties this "absence of allegiance" as Deloitte coined it is representing a serious challenge for businesses in the USA. Yet, for the real estate, construction and property sectors in the UK, things are no different.

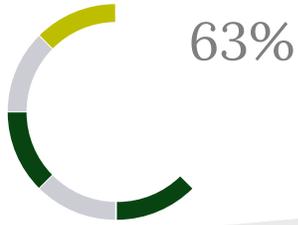
However, as *The Changing Face of Loyalty* shows, it's not too late for employers to understand and overcome the loyalty challenge millennials present.

Through September to October 2015, Deloitte surveyed close to 7,700 millennials from 29 countries to learn more about millennials' values and ambitions, the drivers behind their job satisfaction, and their representation within senior management teams. The core findings are mapped out here:

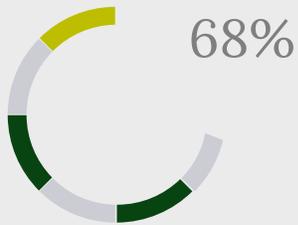




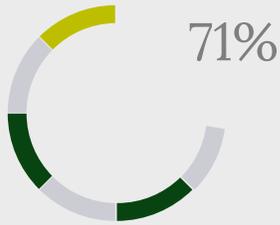
66% of millennials expect to leave their organisation by the end of 2020 (5 years' time)



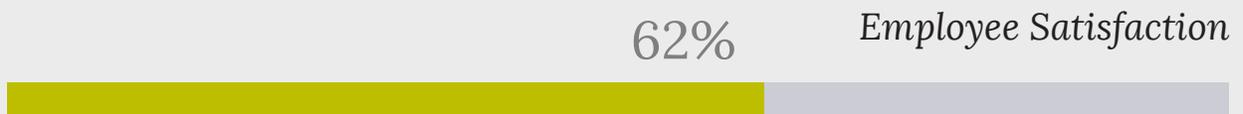
63% of millennials believe their leadership skills are not being fully developed



Supporting millennials to progress in leadership means 68% will stay for over 5 years



Failure to develop leadership skills results in 71% leaving within 2 years





Personality, Professionalism & Parties at Gleeds

*Richard Steer, Chairman of **Gleeds**, talks personality and professionalism with Lizzie Gourd, Associate of Research & Insight at Holtby Turner Executive Search.*

Relaxed and impressive with his shirt collar undone, Richard Steer is exactly the kind of Chairman you might expect from a company that prides itself on personality and professionalism in equal measure. His exuberance is brimming and our discussion around loyalty is sincere, and even punctuated with unexpected anecdotes of singing mermaids and Serpentine raves. He is a man on a mission to win the hearts and minds of every employee within the business. “We want people to enjoy working at Gleeds,” he explains. “Because isn’t that the point?”



“We want people to enjoy working at Gleeds – because isn’t that the point?”

*— Richard Steer
Chairman of Gleeds*



Lizzie Gourd: You've been recognised as one of the best companies in the industry in terms of people management, awarded Investors in People Gold seven years running. Tell us about your culture and how you achieved this.

Richard Steer: For the accreditation we needed to show our internal communications processes, training processes and staff care. I do a roadshow every two or three years visiting all of the offices, and that scored quite highly – that the Chairman was actually taking the time to go and visit employees.

The gold achievement was something we specifically worked towards, but I'm not sure that it in itself generates loyalty; that's not the emotional bit, which is where loyalty really comes from.

Three or four years ago we saw people retiring who'd been with Gleeds for fifty years and spent their entire careers with us, but that was a different generation. I don't think nowadays you'll ever get perfect staff retention for such a length of time, but we try quite hard to keep our people through a combination of personality and professionalism.

For example, we've got the Gleeds Property Network, where we encourage our people to go out and have functions with people in the industry, from client organisations and from general practice agents, perhaps a bowling evening or a wine tasting. A few weeks ago we had Global Challenge Week, where all our offices participate in a global charity challenge; we've also introduced a travel scholarship scheme, through which anyone can go and work in a Gleeds office somewhere else in the world for a week or two.



Lizzie Gourd: One of the taglines from your recruitment team is that working for Gleeds is more than just a job. How would you define the work culture at Gleeds?

Professionalism with personality. It's a good bunch of people, and that culture is important to us.

We don't want people coming into the office and being miserable, so we make a real effort to make the business personable.

Plus, we're really good at parties: when we opened in Sydney, we had stilt walkers and fire eaters and all sorts of entertainment going on, and then everyone boarded a boat out to the island where there were mermaids singing and fireworks. It was pretty spectacular.

Lizzie Gourd: You've grown significantly as a business in recent years, expanding across 6 continents and 18 countries. Has this been a challenge in terms of staff retention? How do you grow while retaining people?

Richard Steer: Part of the challenge has been carrying the Gleeds culture into our offices abroad. If we get someone who's been working in the UK at Gleeds and we send them out to open a new office, they take the culture with them, so that's very easy. The harder part is when we recruit somebody locally to run that office, and all of a sudden they're on their own. But that's why I do the overseas trips, and we have international conferences every couple of years to bring everyone together. It's something we're increasingly mindful of as we grow; we've got fairly ambitious targets for 2020 but we don't want to become a faceless machine, we have to preserve what we think is different about us.

“We give our people a lot of autonomy which I think helps to build loyalty. I think that is quite important – giving people the space to grow and develop and learn and make their mistakes.”

*— Richard Steer
Chairman of Gleeds*



Lizzie Gourd: In your own words, why is loyalty still important to you as business? Is it something you value in the traditional sense and do you want to grow your own people?

Richard Steer: Yes absolutely, we want people to stay with us - it's a lot easier, and cheaper, to retain somebody than hire someone new. This is the case for all businesses - hiring can be risky. Whereas you know the abilities of the people you've got within your own team, if you bring somebody in from outside it takes 12 months to discover where they fit and what their abilities are. Loyalty is very important and I would say that we still have, at the core, a good retention rate.

Lizzie Gourd: Looking to the future, how do you intend to continue to attract and retain the best talent and technical expertise within the industry?

Richard Steer: Our mission statement is to run a business that attracts the best people, projects and clients in the industry. We give our people a lot of autonomy which I think helps to build loyalty. I think that is quite important, actually - giving people the space to grow and develop and learn and make their mistakes. And hopefully we make it an exciting place for people to want to come and work.



Convincing the Millennial Generation

Ed Blyth, Practice Leader in Construction & Infrastructure at Holtby Turner Executive Search, explores how we can make the industry more attractive to millennials.

With an impending skills shortage and an ageing workforce, now potentially exacerbated by the UK's exit from Europe, the construction industry recognises it needs to do more to attract young workers – or millennials as they're commonly referred to. The perception is that the sector is old-fashioned, male dominated and not dynamic, and research suggests that this stops them considering construction as a career path*. It is undeniable that the sector has an image problem and is failing to convince this generation of the appeal of jobs in construction, as Steve Hollingshead discusses in more detail within this report.

Training programmes and apprenticeships go some way to address this but if we are seeking to attract the brightest and most talented to construction, a cultural mind shift is needed in the way the industry presents itself.



“The fact is that the sector has a good case to make, it simply needs to get better at promoting itself.”

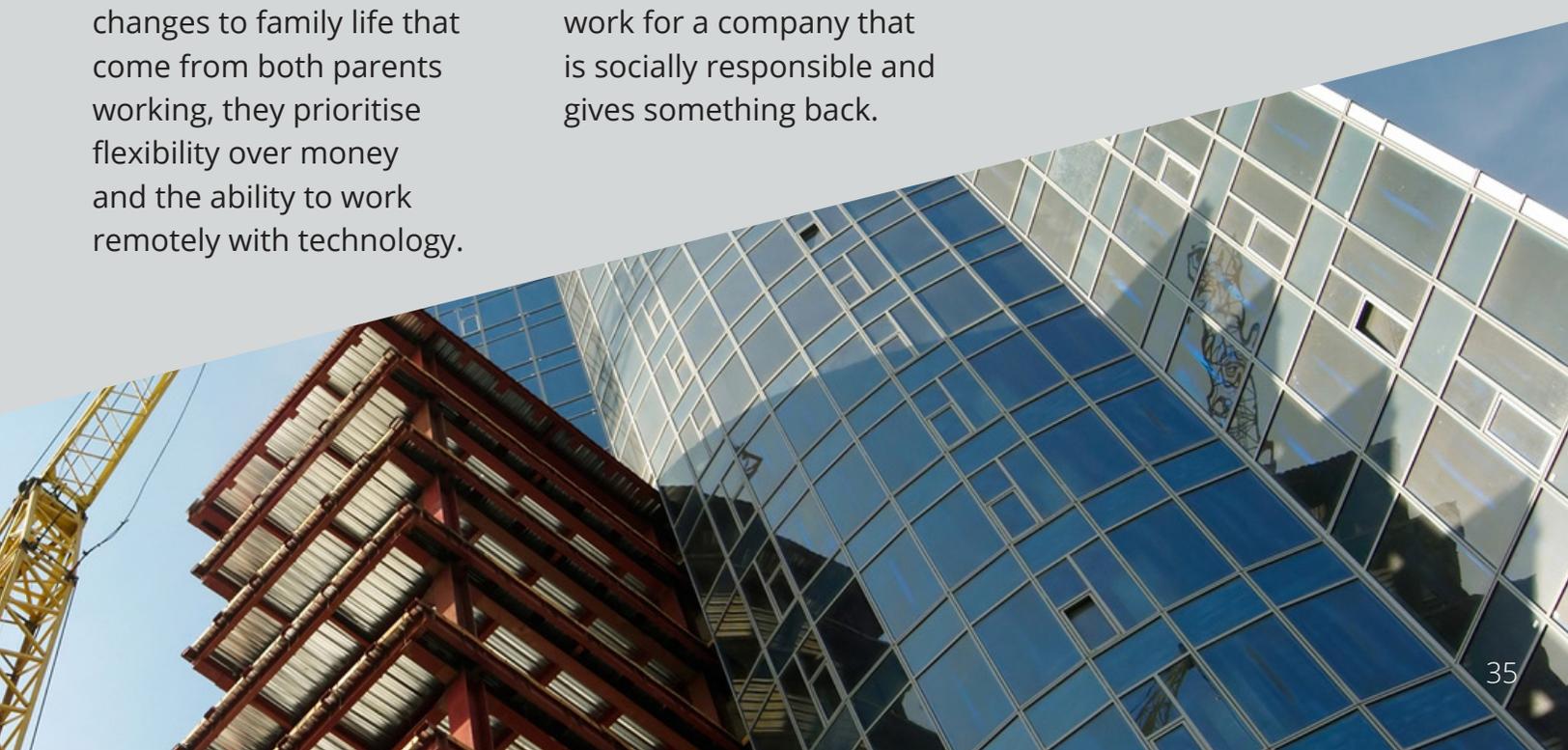
*— Ed Blyth
Practice Leader in
Construction & Infrastructure at
Holtby Turner Executive Search*

Construction firms must work hard to move away from an image of ‘men in muddy boots’ which still seems to dominate the very core of the industry as a brand. Whilst real estate at large has an enormous amount of work to do across the board on the subject, as Hochtief’s Sally Cox commented at the Construction News Summit, despite the industry talking about diversity and beginning to walk the walk, none of her female friends would want to be in the industry because of the image conveyed by the sector.

What millennials want from a career is very different to previous generations. With changes to family life that come from both parents working, they prioritise flexibility over money and the ability to work remotely with technology.

However, is this just too far-fetched for an industry where the nature of the work typically demands your presence on-site? As Doug Gillespie, ex-Director of Mace and Programme Director on the Olympics observed, “When you’re delivering a project, it’s really important to build a strong team and it’s very difficult to achieve that if people are working remotely.” This elimination of the traditional working day is a difficult one for the industry to grapple with but if you look at the results of a recent study by Harvard Business Review** on what millennials want from a career, they place most emphasis on opportunities to learn and grow and to work for a company that is socially responsible and gives something back.

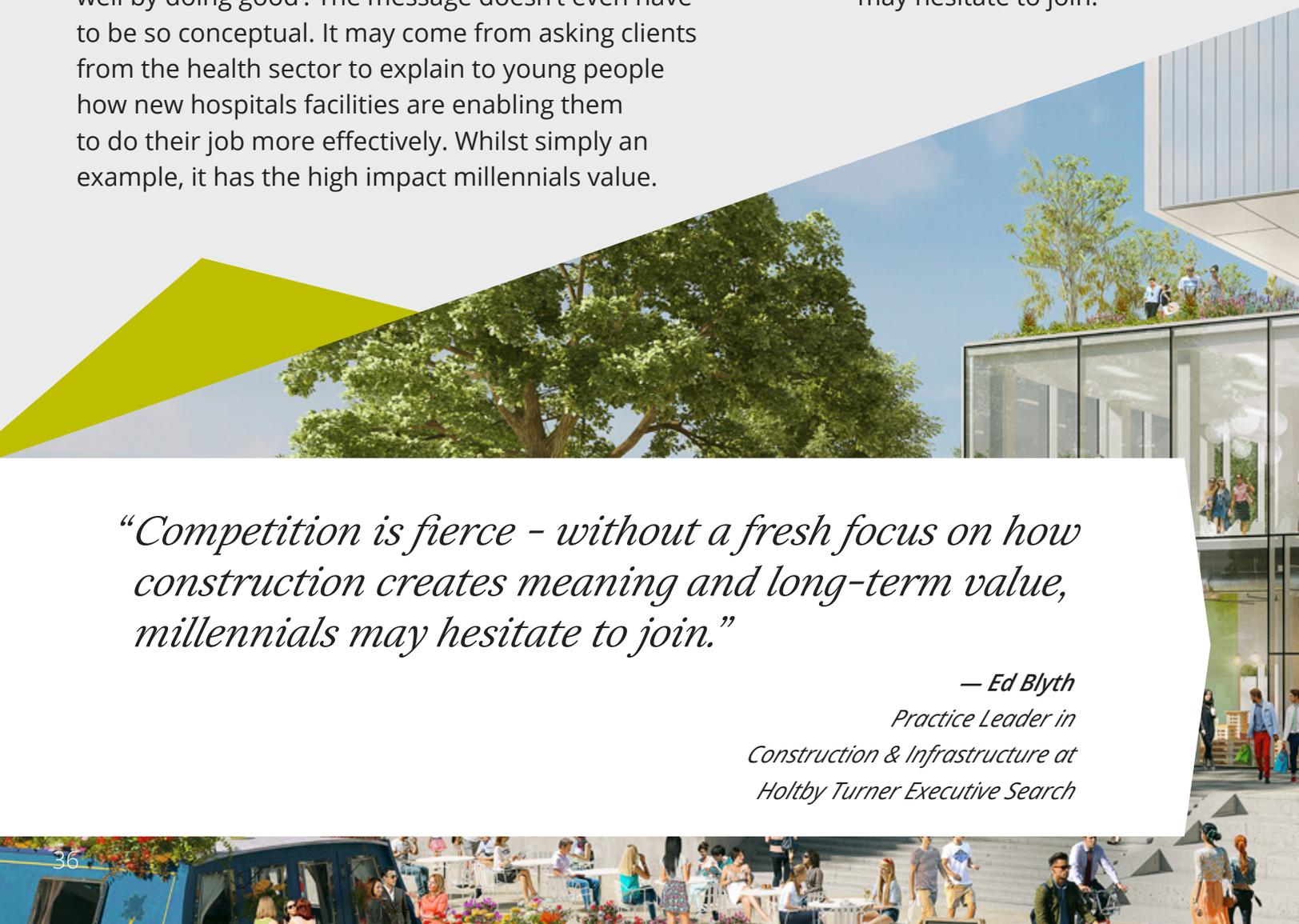
People working within construction are part of shaping these new cities, designed as forward thinking, inclusive communities, with fantastic sustainable design. There’s so much great work being done, such as building mixed tenure residential developments which promote social inclusion, sustainably delivering major infrastructure projects, or developing technology that improves the environmental footprint of the sector. The fact is that the sector has a good case to make, it simply needs to get better at promoting itself.



Take the example of *The Collective's Old Oak Development* - the world's largest co-living building. With a mission to 'redefine the way people choose to live, work and play' they have redesigned the concept of community via shared living spaces, on-site facilities and services all provided via one channel. It may not be for everyone but its creative mission is one to which millennials aspire. The sector needs to do a better job of promoting its involvement in such ground-breaking projects to demonstrate how employees play a central role in reimagining concepts as all-important as community itself.

Concepts such as these are value-based messages in tune with what *The 2016 Deloitte Millennial Survey* research found motivates millennials most - 'doing well by doing good'. The message doesn't even have to be so conceptual. It may come from asking clients from the health sector to explain to young people how new hospitals facilities are enabling them to do their job more effectively. Whilst simply an example, it has the high impact millennials value.

With the impact that technology is expected to have on the sector, it is undoubtedly going to be an exciting place to work for the next generation. To attract the finest minds, construction cannot sit back and wait for young people with the right skillsets to migrate over alone. Competition is fierce - without a fresh focus on how construction creates meaning and long-term value, millennials may hesitate to join.



“Competition is fierce - without a fresh focus on how construction creates meaning and long-term value, millennials may hesitate to join.”

— Ed Blyth
Practice Leader in
Construction & Infrastructure at
Holtby Turner Executive Search

As Doug Gillespie explains: “The reason I have found the construction sector exciting is because every single project is different. The people that you work with in the construction sector are enthusiastic, personable, honest people, and great fun to work with. You have to work hard but it gives you a fantastic sense of achievement at the end of every single project, and

you’re always moving on to something new. I have the legacy for my grandchildren that I was involved in the London 2012 Olympics. It’s that sense of achievement of something tangible that makes it all worthwhile.”

Modern technology, variety and innovation, making an impact on our society and improving the planet – these

are the things we really need to promote in order to convince the millennial generation, and make our industry attractive to the workforce of tomorrow.

* According to the Department for Business, Innovation & Skills UK Construction: An economic analysis of the sector

**Harvard Business Review: What Do Millennials Really Want At Work? The Same Things The Rest Of Us Do

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Loyalty – The Litmus Test

Lizzie Gourd, Associate of Research & Insight at Holtby Turner Executive Search, examines loyalty from her own experience in executive search.

As the research lead for Holtby Turner Executive Search, my role demands a continuous evaluation of employee loyalty. More often than not, the initial response when cold-calling a candidate is that they are happy enough where they are: they are not actively looking to move. But scratch beneath the surface of this job satisfaction and there are invariably some frustrations lurking, which any discerning headhunter knows can unravel into a tangled heap of dissatisfaction.

These 'push factors' as we call them are personal and varied, but tend to fall into one of three broad categories. The first is a lack of opportunities for development and career progression within the business. This is categorically the most popular reason I come across: I meet individuals who have outgrown their role and are in desperate need of a new challenge; those stunted by lack of opportunity for promotion; and those wanting to progress their career in a new direction entirely.

“There comes a point where the need to progress takes over – and if you’re not getting those opportunities where you are, then it’s time to move on.”

— Anonymous

Holtby Turner Executive Search – A Five Point Plan for Loyalty

- 1. Clearly communicate business values and purpose*
- 2. Offer leadership coaching programmes*
- 3. Invest in personal development and mentoring*
- 4. Design a dynamic and adaptive workspace*
- 5. Make something that makes them proud*

None of these is damaging for a company per se. It is a fact of the modern workplace that employees are driven by personal growth and development, and most successful businesses would expect about 10% churn. That said, it does need to be observed and carefully managed to avoid any unnecessary loss of talent. An employee might be happy in their team and prefer to stay, if only they could take on a new challenge or project, or be given more autonomy and responsibility. One of our candidates is now actively looking elsewhere, despite years of hard work and emotional investment in their current role.

The reason? Lack of opportunity for progression. "Loyalty only goes so far," they told me with resignation. "There comes a point where the need to progress takes over – and if you're not getting those opportunities where you are, then it's time to move on."



The second most common complaint I hear relates to poisonous politics and company culture, which exit interviews can help to address. I recently caught up with an individual who left only a few months into their previous role. When I asked what motivated the move, they confessed they were unhappy. “There was a negative attitude engrained in the work environment, and a good deal of apathy from my colleagues. In every job there are ups and downs, but I didn’t see anything changing. Life’s too short: sometimes you have to go with how you feel and take the opportunities where you can get them.”

Another of our candidates shared a similar account of joining a business riddled with organisational and management issues. “It was a frustration that grew,” they told me. “I wasn’t well-looked after from the beginning – just given a laptop and phone and left to fend for myself. I went into the role enthusiastically nonetheless, determined to make it work. But over the course of time it became increasingly difficult, and I had no support. I would consider myself a loyal person, but loyalty is a two-way process: your employee needs to feel respected and valued the whole way through that process. And when the problems are so entrenched within a business, it just becomes a question of how long you stick it out.”

Unfortunately, these experiences are by no means isolated events – and the reputations of certain market-leading organisations in the industry have been tarnished as a result. The moral of the story for real estate? Beware bad blood within your business: it could prove extremely detrimental to your brand as an employer and the success of future hires.



“Beware bad blood within your business: it could prove extremely detrimental to your brand as an employer and the success of future hires.”

— Lizzie Gourd
Associate of Research & Insight at
Holtby Turner Executive Search

The third and final reason people might consider a move is money. Although this is not normally why people leave, it's almost always a factor, and most candidates will expect a reasonable uplift in salary from one role to the next. It is important for an employer to offer a competitive remuneration and benefits package, and the success of a search often hangs in the balance. That said, talent can't be bought. One candidate I approached decided to opt out midway through the interview process, despite uncertainty in their current role and lack of financial reward. "I love my work," they told me. "I'm really happy and engaged doing what I'm doing – and even if that's only for another six months to a year, then I'd like to stick it out."

This attitude represents a seismic shift in employee behaviour. How will the modern employer keep their people engaged and retained within the business? Is loyalty simply an outdated concept, or can it still be fostered, nurtured, and won?

I threw these questions out to my candidates to see if they could offer any insight. "A couple of generations ago, companies were smaller and offered something to be loyal to," one told me. "The workplace today is much more transactional – both for the employer and the employee. Jobs are less secure, and you know that if there's a cull, they'll chop you." Another offered a more solution-oriented approach: "People need to feel part of something – like they're working towards a common goal. It's a matter of respect," they suggested. "Work is a much more personal experience than it used to be. I think people invest more into their work these days, whether that's in time or emotion. Therefore it's important to feel valued and human."

You heard it here first. Loyalty is not just measured by the number of years served: it's the commitment of an individual, their unique contribution and the legacy they leave behind. Loyalty is felt, not counted, and it can continue to be felt for years after someone has left a business.



Trusted for over 17 years, Holtby Turner Executive Search secures, develops and retains leaders for some of the finest organisations in real estate and construction. Valued for our rigorous search process and industry expertise, our consultants' enviable sector experience and connections demonstrate a proven track record, with results that consistently exceed client expectations.

At Holtby Turner Executive Search, we don't stop searching until we've found the very best person for the job. To find out how our services could offer value to your organisation, or to discuss any of the points raised in the report, please do get in touch.

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