SSON PRESENTS

TACKLING TALENT CHALLENGES ACROSS SHARED SERVICES IN MALAYSIA

Shared Services leaders from AirAsia, Sime Darby and Maybank share tips on ensuring business continuity through a modern-day talent strategy



Attracting, developing, and retaining talent are urgent tasks for SSO leaders.

Malaysia's strength used to be its low cost workforce. Today, with labour not as cheap in Malaysia as it is in emerging economies like China, the country is leveraging a more skilled force to attract and supply the need for more insight-based services solutions. The challenge, as many HR leaders readily acknowledge, is to attract and retain talent in the face of such speedy shifts in the employment market.

THE TALENT DILEMMA:

HOW DO YOU KEEP THE NEXT GENERATION ENGAGED?



Just recently, a leading analyst sent out a message headed:

> "There's no doubt that developing, educating and – quite simply – having the right talent, has become the number one issue in the Outsourcing and Operations world[1]."

This issue is global, and impacts operations in Malaysia as much as it does those in Poland, the US, or Mexico.

Malaysia is today host to many global organisations that have set up Shared Services in the country, or have chosen to outsource processes to locally based BPO operations. Relatively protected from natural disasters and the risks associated with them, and offering plenty of competitively priced office space, Malaysia is a top contender for any organisation seeking to leverage an Asian foothold. Although labour is not necessarily as cheap as elsewhere in Asia's emerging economies, Malaysian talent has a reputation for hard work and excellence, is still competitively priced, and is particularly well suited to the increasingly knowledge- and analytics-driven Shared Services jobs that are evolving today.

With lots of companies converging on cyber-hubs like the Klang Valley or Cyberjaya, a large pool of skilled talent and best practices is emerging. However, the close proximity of large numbers of shared services or BPO operations (Malaysia is host to more than 250 such centers2) also presents a big headache to HR departments whose challenge is to attract and retain talent in the face of active and often aggressive poaching by competing operations.

Generation Y, in particular, tends to move around easily, causing headaches for those tasked with building up robust talent pipelines to support businesses' growth agendas.

Shared Services is suffering from a credibility problem, according to a number of practitioners. The more imminent danger, however, is for those not paying at the top end, who run the risk of staff being poached by another centre. It's a practice that could jeopardise the whole Malaysian services industry. More and more practitioners are stemming themselves against the trend. Interestingly, of the companies who have lured staff away with salaries of up to 40% above market, a number have closed down, just a year later.

AirAsia's Suit Fong Chan, CEO of the company's 16-month old Global Business Services centre, explains that, where poaching does occur, MDeC – Malaysia's Multimedia Development Corporation – is closely policing behaviour and is quick to step in to rectify a situation (the implicit threat of license revocation is an impressive deterrent). "Maintaining ethics is important in an industry as fast-growing and competitive as that of Shared Services," says Chan. "MDeC is doing a fantastic job in supporting all of us in this fast growing industry."

SHARED SERVICES: A CAREER WITH POTENTIAL

Across Malaysia, the greatest challenge for domestic operators right now is to persuade the Gen Y workforce that Shared Services offers not just a living, but also an exciting career choice.

While the Malaysian government has been actively pushing the message that technology- and knowledge-based services are the way of the future (via its Vision2020 initiative), it's up to practitioners like Alice Ling, who heads Maybank's Group Human Capital Shared Services Centre in Kuala Lumpur, to persuade a younger audience to consider Shared Services jobs.

"We need more advocates who can sell the attraction of a Shared Services career," explains Alice.

The perception for now is not so positive. Younger people see Shared Services as a processing factory, and aspire to more strategic, rather than operational jobs from the start. Many of them don't understand that they need to start building a career from the bottom up. As a result, one of the challenges HR leaders face is to persuade Gen Y that grounding their career in a solid operational foundation is a good thing.

The problem is that new graduates are more focused on flexi-hours and instant gratification. In addition their horizons are worryingly short-term.

"So many of the new recruits want to start in strategic roles and don't consider or recognise operations for the valuable insights it presents. A strategic approach towards operations is also paramount," Ling explains. "They want to jump straight in at the strategic level, not the operational, level. Our challenge is to attract these graduates into Shared Services and to persuade them that the best thing they can do for their careers is start with a good operational foundation."

Ling points out:

> "To develop a sustainable workforce it's important that we, in HR, provide a strong operational grounding to incoming staff. Otherwise we will fail in our execution. Gen Y definitely presents a challenge in that respect."

EASILY BORED AND INCREASINGLY IMPATIENT: GEN Y IS UPPING THE STAKES

Across Maybank's 47,000 predominantly Asian-based operations, Ling estimates that 20 to 30% are currently Gen Y – and this percentage is growing. It's important, therefore, to come up with a solution as to how to engage and retain this segment of the workforce.



One of the issues in retaining Gen Y is that – along with higher expectations, they also have shorter boredom thresholds than Baby Boomers or Gen X-ers. They have grown up in a world where 24/7 stimulation and engagement is the norm, so to suddenly focus on relatively mundane, or repetitive work is difficult. At the same time, maybe they just don't have what it takes – yet – to take on more responsibilities.

The challenge extends from hiring and retaining to servicing. What defines Gen Y customers is agility and speed, so it's important for HR is to respond in kind. Their need for instant responses means Ling's team of 85 needs to be quick on their toes. If they cannot come up with a solution, they at least need to come up with a workaround – and quickly.

"If we can do it we tell them we can do it. But if we can't do it, it is just as important to let them know immediately," says Ling.

"They find it easy to leave, far easier, in fact, than Baby Boomers," explains Ling. "Baby boomers and Gen X employees are significantly more loyal than the younger generation, which tends to hop to the next job after just two or three years. They'll switch companies for more money, or for better working hours, more flexibility ... things that matter to them," she says.

Mohd Nizam Abdul Rahim, who heads IT Services within Sime Darby's Global Services Centre, agrees: "Gen Y staff are always seeking new challenges, new experiences, and are driven by 'what's-in-it-for-me?'. It's important, therefore, to engage with them from the start, to understand what drives them and maintain their commitment."

The challenge for HR, therefore, is to incorporate more of what matters to the incoming generation of workers. For Sime Darby, the solution is to partner closely with HR to maintain employee engagement. Annual surveys are used to identify key concerns, and initiatives are then put in place to address these.

"We need to figure out what keeps staff motivated," Abdul Rahim explains. "Is it remuneration? Communication policies? Leadership styles? Transparency?" In reality, Abdul Rahim says, it's a combination of all of the above, but first and foremost, it's about 'what's-in-it-for-me?'.

PROVIDING OPPORTUNITIES TO EXPAND

For ambitious individuals seeking long term careers, one of the challenges is that the higher up you move within Shared Services, the fewer opportunities you face as the organisational structure is fairly narrow on top. Sime Darby's Global Services Centre has responded by offering shared services staff the opportunity to transfer across the group.

"As a big conglomerate, we employ more than 100,000 people worldwide. There are plenty of opportunities for ambitious staff with a good foundation in support services", explains Abdul Rahim. The company also offers secondments or transfers as part of an employee's lifecycle, which has helped to keep staff engaged when they are seeking broader horizons.

"It's a win-win for all," Abdul Rahim says. "The main issue is to be able to offer a challenging environment for employees who believe they can offer more than transactional support. And with all the automation that is taking place across shared services, it's proving easier to offer jobs that require that little bit 'more' to deliver value to customers around the world."

LESSONS FROM INDIA: THE BPO SUCCESS STORY

"India has done a great job in promoting BPO as an attractive career for its young upwardly mobile work force," confirms Maybank's Ling. "Now we have to do the same in Malaysia."

What Ling and her peers want to do is inspire the next generation and show them that, with technology taking care of much of the processing, what remains requires more innovative brainwork.

"We need to innovate and reengineer our processes. But for that, we need to hire creative Shared Services staff who will deliver a positive experience to our customers."

"We need to take the message to the graduates that Shared Services provide a different flavour of job. And we can only really do that well face-to-face."

KEEPING TALENTED STAFF (PRE)OCCUPIED

Keeping talented staff occupied is not proving much of a problem these days, at Sime Darby. Abdul Rahim's IT team is driving a number of continuous improvement projects that require a more innovative approach to resolving problems through technology solutions. In addition, most initiatives require close collaboration with HR or Finance, and thereby expose team members to broader operational challenges. In the case of HR, the focus is on promoting self-service as a solution, which means that remaining jobs become immediately more interesting. Similarly, in Finance the focus is on eliminating or reducing manual tasks and replacing these with more value adding activities. In both cases, the net effect is that the work remaining within the shared services becomes more challenging, interesting, and requires a different skill-set.

Find out more about how successful SSOs are engaging their staff and retaining them!

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Main conference: **13 – 14 May 2015**
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Key Sessions you might be interested in:

- **How Shell leverage the potential of middle managers in shared services to sustain its leadership pool**

  Nyon Kam Yew, General Manager, Shell Business Operations Malaysia

- **Creating high performance teams in a shared services environment**

  Douglas J Stockton, Director Asia Pacific Finance Business Service Centre, GlaxoSmithKline Pharmaceutical



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Footnotes

1. HfS: Do you trust your BPO talent?
2. Source: http://www.mscmalaysia.my/sso