

Attract, Retain and Develop the Best Talents in Myanmar

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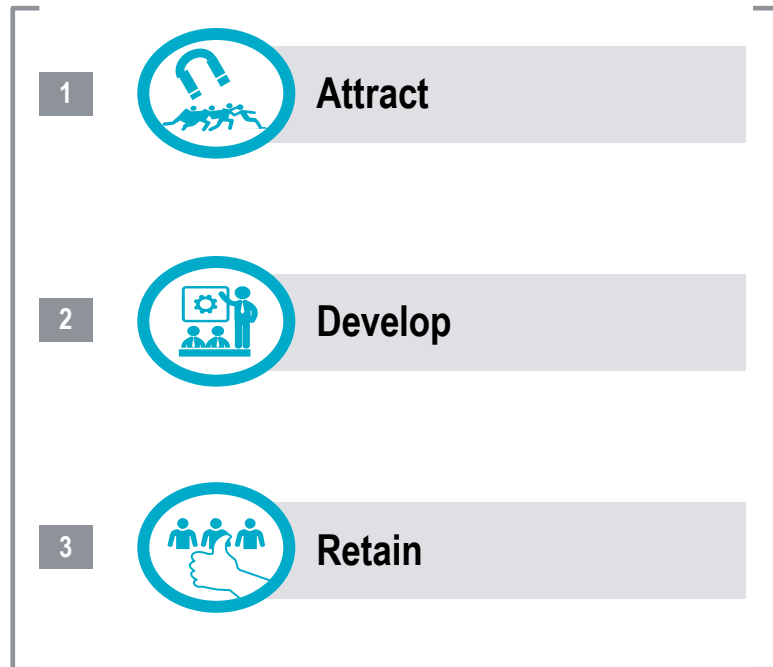
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Today's topic: Attract, Retain and Develop the Best Talents in Myanmar



> **Current HR landscape** in Myanmar:

- Current **trends** in the labour market
- Key **HR issues** faced by foreign and local companies
- Is the lack of qualified labour an obstacle to FDI?
- What are the biggest gaps in terms of skills?

> **Case studies** and recommendations:

- Case study 1: Attracting the best talents: locals vs repats vs expats
- Case study 2: Retaining the best people: is salary the main factor?
- Case study 3: Developing talents – the unique Myanmar approach to learning and self-development
- The golden rules to attain the 'best employer' stat

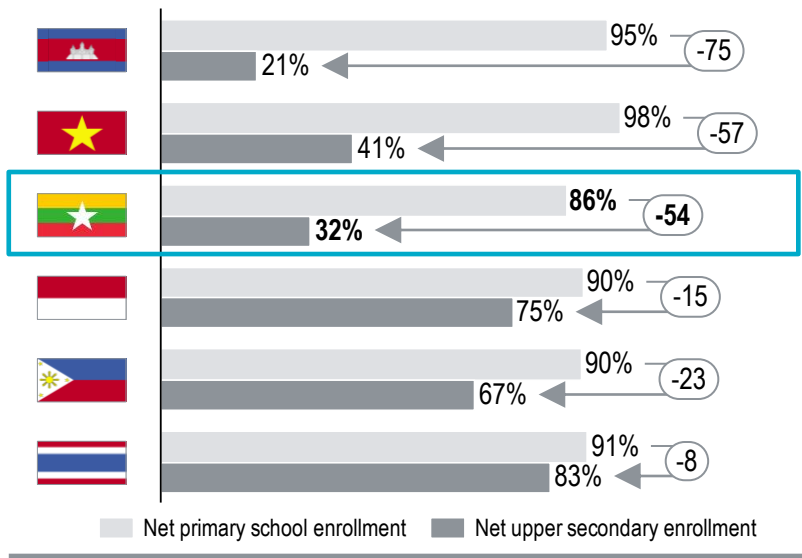
A. Attracting, Developing and Retaining Employees – Current HR landscape in Myanmar



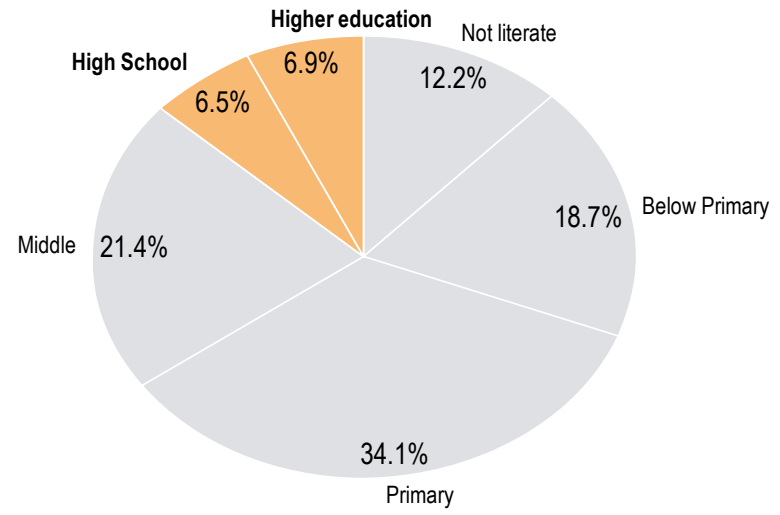
Transition rate from primary to secondary school is low for Myanmar – Only 13% has high school or higher education

Education in Myanmar

Transition Rate Primary to Secondary School

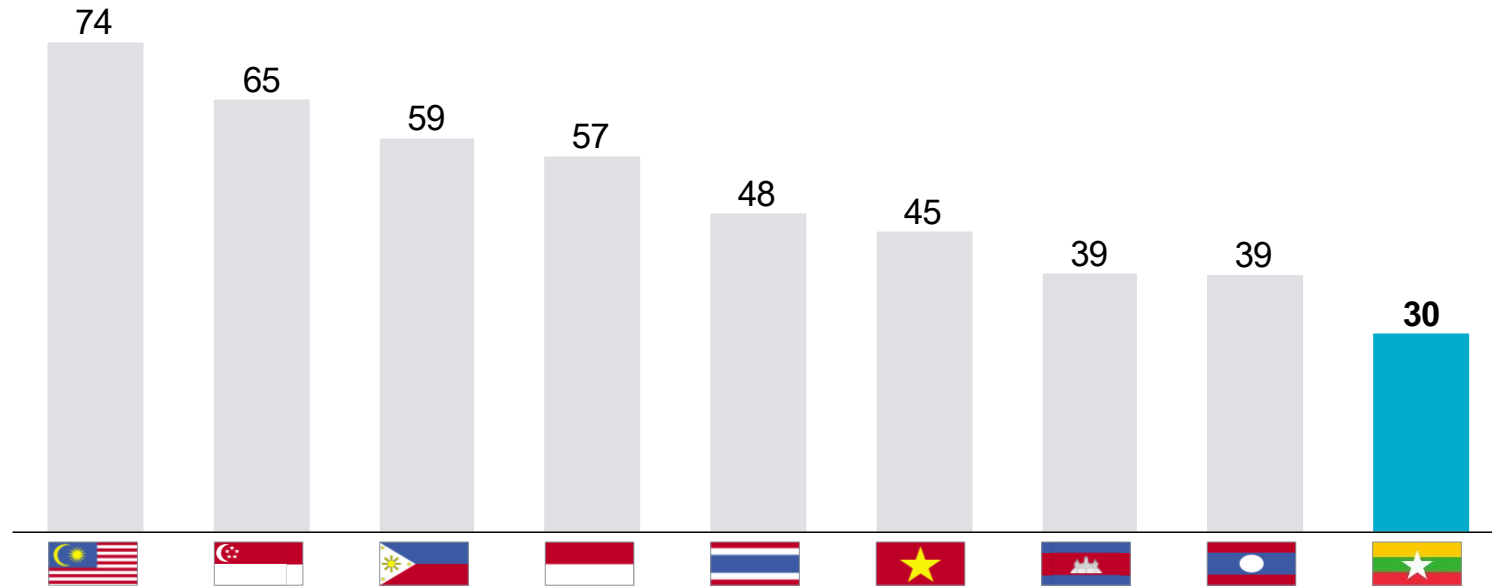


Education Level of Working Population in Myanmar



Therefore, Myanmar is the most difficult place in South-East Asia to find skilled workers

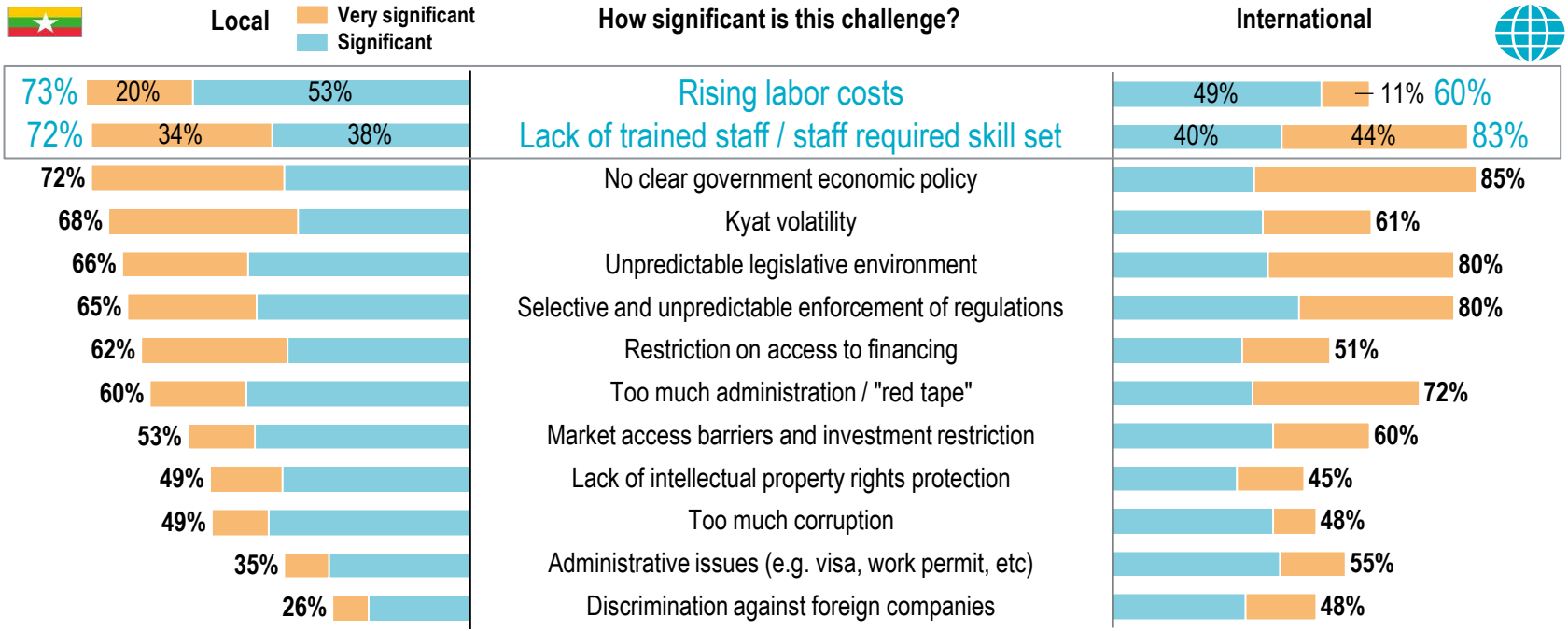
Ease of finding skilled labour [% Ease on survey question, 2016]



1) Ease of finding skilled employees: Response to the survey question, "In your country, how easy is it for companies to find employees with the required skills for their business needs?"

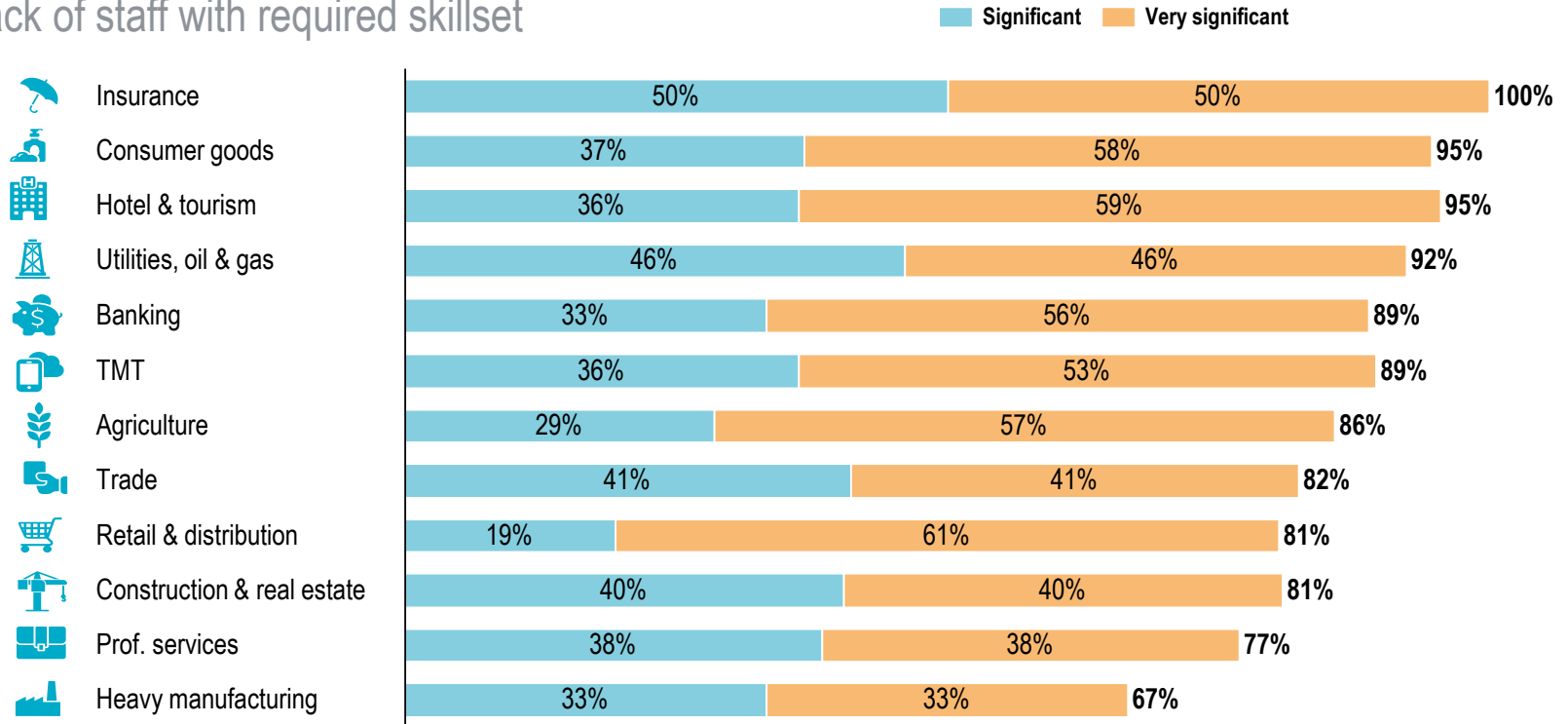
This is confirmed by the 2017 Roland Berger Business Survey: HR issues are most critical bottlenecks for local and foreign investors

Business survey – Key challenges



Finding staff with the required skillset is an issue across all industries

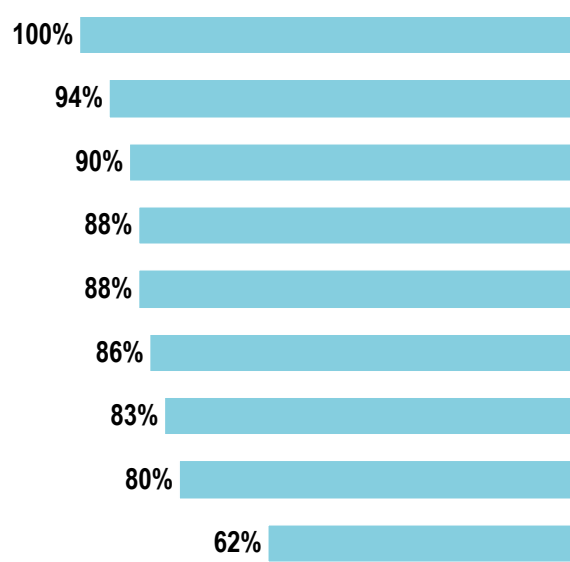
Lack of staff with required skillset



Therefore, companies plan to increase spending on training and employee development

Skills development by industry

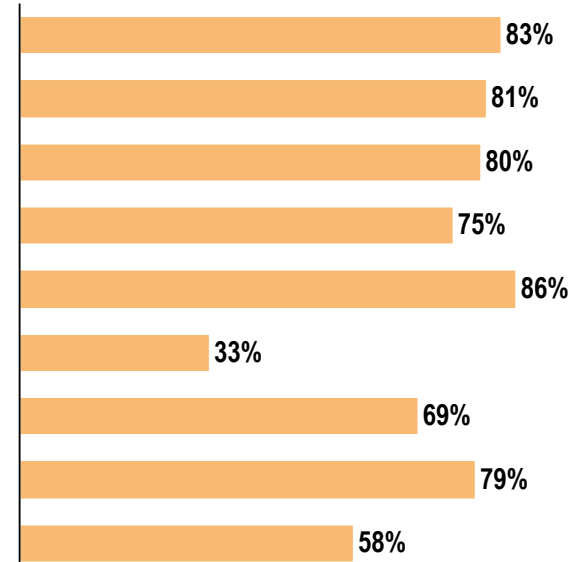
Increasing Spending On Training & Employee Development N = 231



How do think the following will change for your company in Myanmar in the next 12 months?

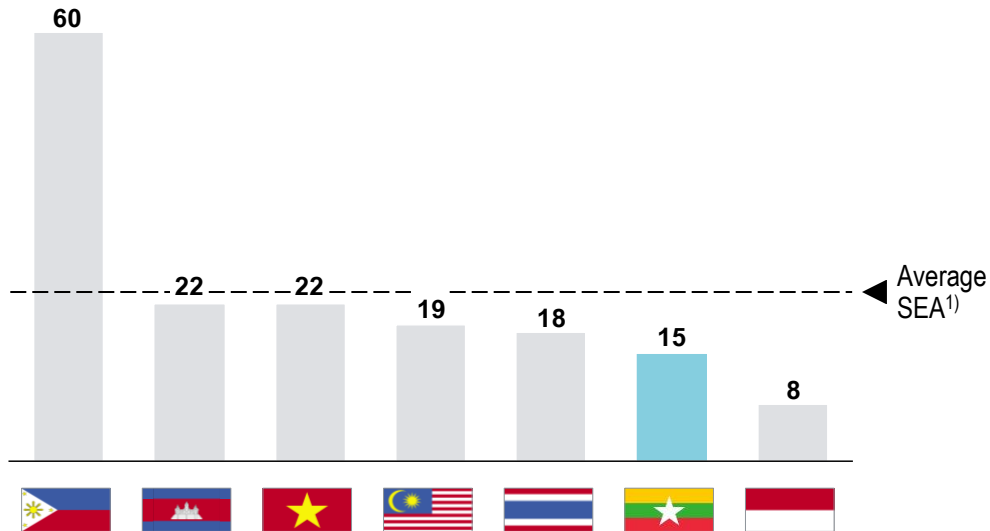


Increasing Number of Employees N = 231



Currently, only 15% of employers provide formal training – High turnover cited as leading constraint

Level of formal training across ASEAN [% of firms, 2017]



Leading Constraints on Training for Myanmar Enterprises²⁾

- 1 High employee turnover
- 2 Lack of resources
- 3 Training not applicable for daily work
- 4 Lack of time
- 5 Low level of participation

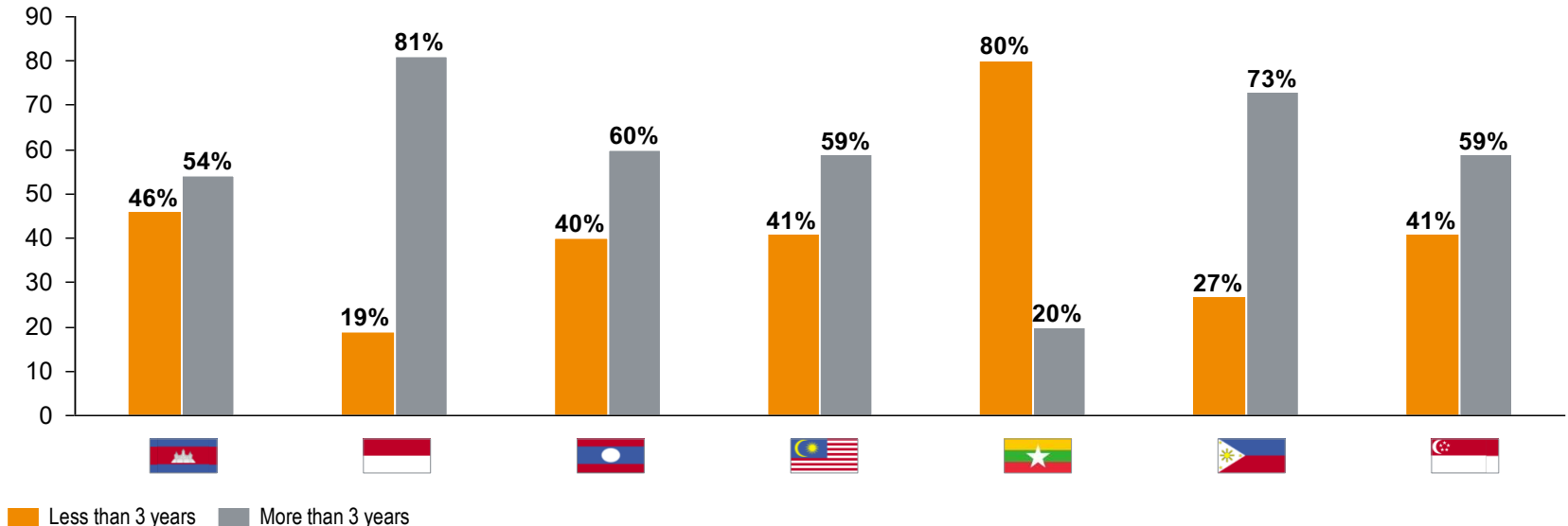
1) Average for SEA includes Thailand, Malaysia, Indonesia, Philippines, Vietnam, Myanmar, and Cambodia

2) Proportions based on a survey of 240 employers conducted by ILO across 8 ASEAN countries

Source: ILO APAC Working Paper Series, Global Innovation Index 2017, Roland Berger Analysis

Retaining employees is indeed an issue: approximately 80% of the employees in Myanmar stay for less than 3 years in an organization

Employee retention across ASEAN



1) Proportions based on a survey of 240 employers conducted by ILO across 8 ASEAN countries

B. Attracting, Developing and Retaining Employees – Case Studies







Agenda

- > Attracting
 - Locals vs Repats vs Expats
 - Case study #1
- > Retaining
 - Is salary the only retention factor?
 - Case study #2
- > Developing
 - The unique Myanmar attitude toward learning
 - Case study #3
- > How to reach **Best Employer** status
 - The 5 Golden Rules

Locals vs Repats vs Expats

	Attraction	Challenges
Locals	Knowledge markets, network Language, culture Cost	Limited exposure to outside world Willingness to change Expectations
Repats	Best of both worlds on the paper Education, experience overseas Not as expensive as expats	Integration with local teams Culture shock if > 10 years out Education of children
Expats	Education / Technical skills Motivation Ability to coach / develop 	Adaptability to Myanmar culture Deal with a unique environment Expensive (accommodation, education...) 

Case study #1: Hiring the wrong candidates

Challenge

- > In 2013 this large conglomerate (7,000 people) rushed to hire a top team of about 20 expats / repats to support very aggressive growth objectives. They turned to a reputable foreign based recruiter with no experience of Myanmar
- > In 2016 the business owner concluded that the performance of his expat team was not up to his expectations and retrenched 75% of them

Solutions

- > Rebuild progressively a team paying particular attention to the soft sides of foreign / repat candidates to assess their chance of success in the specific environment of a local Myanmar conglomerate
- > In parallel implement basic HR systems to enable a functioning and aligned workforce



Retaining – it is more than salaries

Factors for Satisfaction



Achievement

Recognition

The work itself

Responsibility

Advancement

Growth

Factors for Dissatisfaction



Company Policies

Supervision

Relationship with superior and peers

Work conditions

Salary

Status

Security

Herzberg's two factors job satisfaction theory

Retaining process is complex

- > Ensure the company has a clear Mission (why do we exist?), Vision (where are we going?), and Strategy (how are we going to get there?)
- > Ensure that the company is structured in such a way that it supports the delivery of the strategy (with minimum layers).
- > Ensure that all jobs are designed to support strategy delivery and that KPI's are cascaded from top to bottom.
- > Ensure that everyone has a clear job description and that everyone has discussed this with their immediate manager.
- > Ensure that people have received sufficient training to do their jobs effectively.
- > Ensure that all jobs have been sized and graded and that job grade is the driver of salary range, benefits package, and title (job title is not the driver!)
- > Ensure that managers are trained in setting SMART goals and in conducting transparent performance appraisals.
- > Ensure that rewards (monetary and non-monetary) are unambiguously linked to performance).
- > Ensure that people understand the behaviors that drive superior results.
- > Ensure that managers have been properly trained in coaching their staff.
- > Ensure that work processes are streamlined, have an owner, and cross departmental walls only when absolutely necessary.
- > Put in place a career-planning process and communicate it so that people can see that they have a future with your company.
- > Provide leadership development opportunities to your managers to enable them to build a culture of mutual trust and respect.
- > Remove unnecessary rules and regulations.
- > ...



Case study #2: Implementing HR systems

Challenge

- > This mid size (1,500 people) identified the need to put proper HR systems in place. The HRD was a relative to the owner

Solution

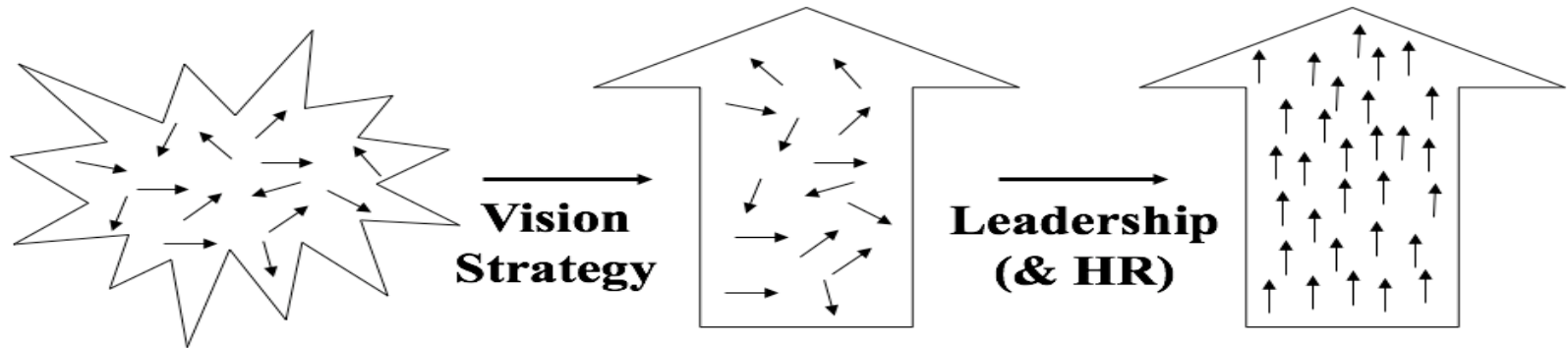
- > We convinced the business owner to replace the relative with an external local candidate with the right attitude
- > Over a period of 12 months we progressively implemented basic but international standard HR systems

Results

- > Everyone in the organization is now aligned with the strategy



Case study #2: Implementing HR systems





Developing: Unique Myanmar

- > The best resource of Myanmar is the People
- > It is genuinely rewarding to work with a team who wants to learn, improve, self-develop
- > In this aspect (like in so many others) Myanmar is quite unique
- > The key challenge is the current education system not able to satisfy the quality education high demand

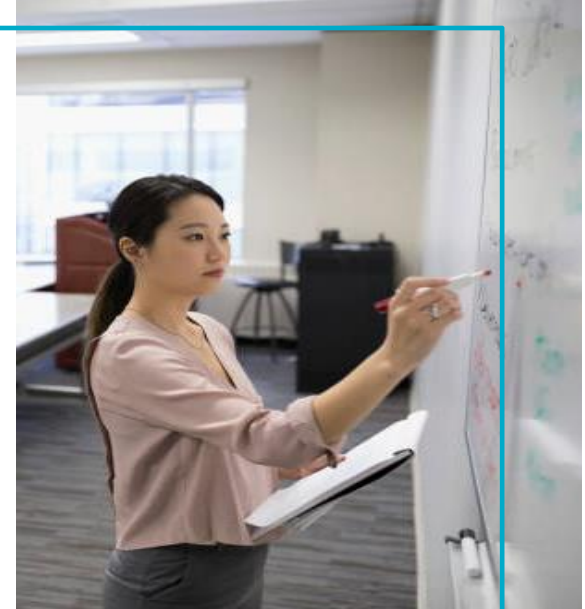
Case study #3: Training a large workforce

Challenge

- > This FMCG – category leader – company was under pressure from his foreign JV partner to improve the sales and marketing functional skills of its workforce. No existing education institute in Myanmar was able to deliver the desired curricula with the quality required

Solution

- > Create an in house University / Training academy with the curricula required to provide the functional and managerial skills identified by the company as Key to win in the market place



Best Employer Status – 5 Rules

- 1 Take HR matters extremely seriously with a clear and sustained commitment from the top
- 2 Communicate, Communicate, Communicate
- 3 Keep in mind the importance of “feel good” factor
- 4 Celebrate success. Be generous with credible praise
- 5 Be tough with poor performers

