SENSITIVE PROJECTS:

How to maintain confidentiality and ensure the retention of key personnel?

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Alexis Ellin : Hello everyone and welcome to this ANDRH podcast in partnership with PwC! Today we are focusing on a key topic: managing confidentiality and retention of key personnel in sensitive projects. I am Alexis Ellin, editorial project manager for the ANDRH magazine, and I am delighted to welcome Jérémy Hallebard, VP Talent of the Safran Group, and Mériadec Jonville, partner in the strategy department at PwC. Hello to both of you and thank you for accepting our invitation.

So, the first question I would like to ask you, Mériadec, is how are confidentiality and retention issues becoming increasingly important today?

Mériadec Jonville : (Hello everyone) Managing these two elements is important regardless of the circumstances, but it is true that

with a year marked by numerous restructuring projects, the topic is more relevant than ever.

But what has really changed is that we underestimate how remote work tools have influenced the way we collaborate. Since everyone can be connected at any time and from anywhere, there is a tendency to invite many participants at the same time for each topic. There is also likely more ease in delegating.

Similarly, work documents are widely shared on online platforms, sometimes even before they are finished, which can lead to mistakes.

Therefore, the risks of leaks are greater than in the past.

We see many participants in our projects, whether they are closely or distantly informed or part of decision-making bodies. In a project to renegotiate Comp&Ben, the employer delegation's assumptions were discussed with no fewer than 20 executives from the host companies.

This increase in the number of people in the know poses confidentiality problems and impacts how we approach the principle of retention. Especially in a context of a continuing war for talent and resource volatility, where any sensitive project must first and foremost be stable and embodied. When you involve more people in a project, you also increase the number of people who question the project.

A.E. But why to link these two subjects: confidentiality and retention? Jérémy, perhaps?

Jérémy Hallebard : (Hello everyone) Both topics represent a significant risk for the company. First, there is the risk that sensitive information becomes public, and also the risk that a key person leaves the company. In both cases, this will result in disruption to the smooth operation of the company.

To state the obvious, the proper management of these two dimensions should be formally considered at the beginning of a project to effectively control and minimize risk. This involves asking questions such as: What information is involved? Who are the key individuals in the organization and what level of information do they need? It is essential to answer these questions and have a suitable rationale.

M.J. Attention should be paid to the circle of contributors from the beginning of a project and as it progresses, particularly regarding when to involve people on the ground, such as the direct reports of a Site Director. The next question is how to frame, train, and formalize to ensure the secret is kept.

A.E. In this regard, Jérémy, should Non-Disclosure Agreements (NDAs) be signed with employees?

J.H. Once you ask this question, it often means there is a sensitive situation to manage with risks for the company. Therefore, I would say that NDAs should be used. However, to provide some context, it is important to note that employment contracts generally include a confidentiality clause, which is legally sufficient but often very generic and rarely enforced or invoked with employees.

Nevertheless, the trend shows that signing NDAs is becoming the norm, especially under the influence of international groups with an Anglo-Saxon culture.

If we look at the semantics of the term NDA (Non-Disclosure Agreement), we notice that the English form is much more

compelling than the French. When we talk about confidentiality in the sense of Non-Disclosure, it speaks for itself, whereas in French, when we talk about 'confidentialité,' we lose certain attributes that need to be explained to avoid 'disclosing' confidential information. Therefore, I find that in this case, the English language is clearer than French.

A.E. Mériadec, do you think other initiatives are necessary?

M.J. The environment is key; it is essential to both prevent leaks and prepare for them.

Beyond NDAs, teams need to be informed about the rules that apply to them: what to do and what to avoid, introducing passwords and code names.

It is also important to consider the motivations that drive employees to keep a secret: namely, 1) Understanding why the secret is important, 2) Feeling secure, which relates to retention. 3) Having a sense of belonging to the group, as Jérémy mentioned, and 4) Gaining esteem and recognition, which involves questioning and preparing what those entrusted with a secret might say outside the circle of initiates. In short, it all comes back to Maslow's hierarchy of needs!

As for managing a leak, which can always happen, especially when more people are in the know, a crisis management plan should be implemented with a restricted, legitimate, and specific governance. This governance will enable faster anticipation and response.

A.E. According to you, who should be informed and when?

J.H. I would be tempted to say that the list of people should be restricted as much as possible. The inclusion of a colleague in a project team should first be linked to competence: what are the technical or decision-making elements that require a dilution of the Non-Disclosure principle? Opening confidentiality to new collaborators should not be seen as a form of recognition or a 'badge of honor,' but rather as a necessity for the proper functioning of the project or the company.

M.J. From the planning stage, it is important to apply the 80/20 logic. It is not crucial to have all technical skills present from the start of a project; some skills can be added later by expanding the circle of contributors at the right time. Since we often work in constrained environments – such as securities law if the company is listed, or labor

law with the priority of informing employee representatives – it is preferable to start in a controlled setting before expanding the number of contributors.

J.H. This is indeed what we find in most projects. We start with a core team and then gradually enrich it with new skills, always with the aim of controlling the number of collaborators needed to make decisions.

A.E. In this context, Jérémy, what are your thoughts on rumors?

J.H. We need to distinguish between two types of rumors: 1) bottom-up rumors that require a reactive approach, and 2) top-down rumors that are anticipated to test organizations. We should not fear rumors, but we must know how to manage them through a communication framework. This involves governance that allows us to 1) become aware of rumors (indicating that certain communication channels are active and reporting back), 2) manage them by implementing a system that empowers project stakeholders, and 3) control messaging to ensure alignment in the statements that are disseminated (Q&A, briefs for managers, Dos & Don'ts). Rumors often arise from uncertainty.

Therefore, they can be contained through effective communication, actions on dialogue channels to facilitate information flow, and constant monitoring.

M.J. The HR department must set the right pace for the management team or teams abroad. Not every rumor should cause worry or disproportionate reactions. A rumor is not always a bad thing, as it can reduce the element of surprise, but beware of the sense of betrayal that can arise from hastily issuing denials when the facts are presents. Therefore, it is better to manage the rumor rather than always trying to counter it.

A.E. Returning to the topic of retention, what do you recommend in the context of mergers and acquisitions or social restructuring?

J.H. The first point is to think beyond the financial lever. Retention primarily relies on employees' ability to project themselves into the future and, also, on development opportunities. Any merger operation does not necessarily include a financial package. Conversely, packages can lead to mercenary behaviors, with minimal investment and departures at the bonus date. Letters must be carefully drafted and appeal to other indicators than mere

presence. That being said, the question must be asked in all cases, and talent management involves good coherence with the compensation policy in its recurring and exceptional aspects. Retention bonuses remain one of the important levers of a retention policy. Furthermore, deferred or long-term compensation, particularly employee shareholding, must be part of the policy.

M.J. We are completely aligned on this point. Financial incentives remain an effective element because they are tangible when offered. The other modalities do not convey the same messages and can be approached by type of population: shareholding for key talents, retention bonuses for critical skills in an operation, particularly in transactions, completion bonuses open to all within the framework of employment protection plans, exceptional bonuses to recognize overinvestment. All this remains to be determined and evaluated.

Then, we come back to confidentiality issues or how to ensure that the beneficiary of a retention mechanism does not disclose it to other employees who might be eligible for it..

A.E. Thank you both for your insights on this matter and thank you for listening to us. See you soon.