

## **The War for Talent Continues. Are you winning? What is your strategy to win?**

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“A good leader inspires people to have confidence in the leader, a great leader inspires people to have confidence in themselves.”

### **Eleanor Roosevelt**

There is an abundance of solid research that continues to reinforce the theme on the competition for talent. We are at risk of losing employees as the economy improves. Or even worse, our better talent is leaving while the average and non-performing stay. There is data on how engagement levels of our employees are dramatically low, and how high engagement scores directly correlate to improved financial and individual performance.

I believe we are at risk of losing our better talent on a *regular* basis, regardless of economic cycles, and it's probably the biggest blind spot of organizations today.

Further alarming is research expounding a loss of trust in the workplace. Executives believe this issue of trust will be a significant factor in future employee turnover. Erosion of trust is not limited to organizations laying-off people, and the law being broken by work colleagues. Gossiping, taking credit for others' work, and lack of accountability, in performance *and* behavior, are even more pervasive, and erode trust over time.

**The accumulation of losing trust in leadership, how people are recognized, promoted and valued, and the wrong role and cultural fit, negatively affect people's commitment, attitude and performance.**

Over 30 million people have lost their jobs since the 1980's! This clearly impacts emotions, expectations and attitudes surrounding work that make it harder for companies to hold onto their best talent. This new reality has been with us for some time and most likely is not changing. We are in the era of *right-sizing*, where organizations are in constant flux due to ever changing economies, consumer interests, innovation, competition and a greater global economy.

We have more generations in the workplace today than at any previously documented time. This clearly adds dynamics – people with different values, interests, goals, motivations and levels of dedication. Ask someone today to describe a great job and they are likely to paint a picture of a position that allows them work-life balance, personal and professional development, and

fulfilling relationships with their boss and colleagues. What is interesting is that is why people stay in their organizations. They stay for the opportunity to grow, learn, develop, work for a good boss and have good colleague relationships. Research has been saying this for over 10 years! Yet, what are most organizations doing about this? Very little.

Let's walk through several key areas that an organization, regardless of size and industry, need to be focusing on *rigorously and continuously*.

## **Hire the Right People in the First Place**

It sounds obvious, but in reality, many companies neglect this step. One way to cut turnover is to hire the right people in the first place. Start with a thorough and realistic analysis of what the different roles in your organization truly require with regard to knowledge, skills and abilities (KSA's). After all, it's hard to hit a target when you don't know what or where the target really is. Then rigorously assess your prospective employees and find out whether the job, team and corporate culture you are offering are likely to meet their needs and tap into their strengths. This requires taking a disciplined and "multiple-method" approach, using a variety of tools such as resume screens, structured interviews, and personality/behavior inventories.

Personality/behavior inventories provide an understanding of individuals' natural behaviors, strengths and drives in the workplace, and help you predict whether a particular job in a specific environment will energize or frustrate a potential new hire. They help show, for example, whether individuals will most naturally thrive in a fast-paced or methodical environment, whether they are likely to gain more satisfaction by leading a team or serving as individual contributors, etc. These critical insights provide more of an opportunity to find people who will naturally fit in, and will want to stay longer as a result. For example, many of our call center clients have reduced agent turnover dramatically (often by 25% - 50%) by identifying potential employees that thrive in consistent, stable and structured environments.

## **Focus on the Individual**

Finding people who are the right "personality/behavioral fit" is just part of the loyalty equation. Recent research in the area of *transformational leadership* indicates that effective leaders provide their employees with "individualized consideration", in effect avoiding a "one-size-fits-all" approach to employee motivation and instead providing each employee with unique and flexible guidance. Schedule frequent check-ins with each employee, keep the lines of communication open, give plenty of personal feedback, and make sure that their original positions are still energizing them. For example, if your top sales reps tend to highly value their autonomy and independence, a measurable trait/tendency, can you reduce the number of times per month that they need to meet with their sales managers?

Top performers are less likely to flee if they feel that they are truly valued personally and as individuals.

## **Work the Data and Take a Targeted Approach**

Are you confident you have reduced your turnover? Let the data speak for itself. Get into the habit of reviewing turnover rates on a quarterly basis. If the numbers are high or creeping up, dig deeper, putting to use all of the data that modern organizations typically track. Examine both “internal” and “external” drivers of turnover. Internal drivers refer to characteristics of employees themselves, such as their personality, intelligence, educational background, experience, job performance and promotion history. External drivers refer to events or conditions that reside outside of the person, such as the job market in a given city or the quality of one’s immediate manager.

Which combination of these “internal” and “external” drivers strongly predicts longevity within your organization? For example, a client in the shipping industry discovered through the use of a regression analysis that top-performing Director-level managers were half as likely to resign if the following three conditions were in place: (1) they had risk-taking personalities, (2) they scored highly on the company’s analytical assessment, and (3) their immediate manager was viewed as an effective mentor. Mining your company’s data may reveal that what you thought was driving turnover actually isn’t—and that you can quickly intervene in “high-leverage” areas, often without significant financial expenditures.

It is also helpful to take a targeted approach to managing turnover. Many leading companies are moving away from a concern with overall turnover rates, acknowledging that in today’s economy, some level of employee “churn” is unavoidable, and that not all employees are ones that a company actually wants to keep. Instead of this “macro” approach, **companies are zeroing in on the roughly 20% of job roles that are truly critical to the organization’s success and can and should be leveraged.** For example, a leading retail chain that we work with now compensates and promotes district managers not based on overall store manager turnover rates but on turnover rates for store managers in the top-quartile of the company’s performance appraisal system.

A new relationship between employers and employees requires a different approach to employee retention. Bring in individuals who will thrive in the environment you offer, check in with them often, work with them individually, and use targeted metrics regularly to evaluate your success.

With a more strategic approach to nurturing and growing your people, your employees should turn a cold shoulder to your competitors, whether the job market starts to sizzle or not.

Here are five “best practice” strategies for companies looking to retain their best employees:

- 1. Target The Talent Pools.** Be strategic and rational as you make employee investments. Look closely to determine which talent pools in the company are truly critical to future success.
- 2. Work The Data.** Measure and analyze potential drivers of employee turnover both externally and internally. Externally, companies should look at job markets, functions and managers. Internally, managers should review data on employee personality, education, experience and promotion history. Take a rigorous and data-oriented approach to employee management.
- 3. “Embed” Your Employees.** Motivation and morale are good, but companies looking to keep employees long-term need to be focused on *job embeddedness*:
  - Fit:** How well the person fits with their work, workplace and community.
  - Links:** The richness of their personal relationships with co-workers and the degree to which others depend on them.
  - Sacrifice:** The things they would need to give up if they left their job.
- 4. Hire Right.** Ensure that employees are a fit for the job and the company right from the start. Develop a process to consistently review what knowledge, skills and abilities are needed for the role, while additionally ensuring that the candidate’s personality is a fit for these requirements and with their potential teammates.
- 5. Identify Growth Opportunities.** Survey findings consistently indicate that providing superior growth and development opportunities can reduce turnover. Incorporate training and development opportunities into the “total rewards package” that is offered. Be sure to explore development at all levels and age groups/generations.

## **Your Internal Brand**

Statistics show there is a close link between company image and individual self image in highly engaging workplaces. In other words, your ability to create and maintain a working environment that reflects your external brand, and how aligned and integrated it is with how you attract, select, develop, reward and recognize people internally, has a direct correlation.

Without close attachments to the workplace, people feel alienated and will usually seek greener pastures elsewhere. Second, workplaces in which employees have a high level of self-interest

invested in the organization's success will be highly productive. Third, people want to work and want to be highly involved because self-interest and organizational interests are closely aligned.

The individual who is fully dedicated will:

- Emphasize the positive about the organization—what is going right.
- Look for occasions to say good things about the organization, manager, department or people.
- Volunteer for extra duties.
- Express approval about what the organization is doing and why it is doing it.
- Speak highly of the organization to coworkers, friends, relatives, and members of the community.

The challenge in keeping a strong internal brand, especially in an ever changing market, is to have a clearly outlined and comprehensive acclimation process when bringing people into your organization through hires, mergers and/or acquisitions. Assimilation from the get-go, including orientation and on-boarding, sets the tone from the start.

## **Leadership**

*“Remember, culture is nothing more than the behavior of the leaders.”*

**Larry Bossidy, former CEO, Allied Signal/Honeywell**

I will be providing a more detailed synopsis on leadership in our next article, but let's reflect on leadership and its impact on what is outlined here. As an executive coach, I deal with this subject often with many of our clients. One of the greatest challenges in climates where resources are thin, expectations are still strong, and there is immense pressure to execute and perform, people in management tend to defer to managing, not leading.

Yes, the ability to manage people - to tell them what they need to do to be successful, to perform and to execute - is vital. However, the ability to motivate and to *effectively* provide feedback and guidance, is critical at all times, but especially in periods of stress and difficulty.

When times are tough, it's natural for people to have increased levels of tension, stress and urgency, but the key is for leaders to demonstrate the values and the brand of your organization - of what is acceptable behavior and leadership. It is walking the talk, and that everyone - star performers to senior executives - are held accountable for their behaviors and actions, in addition to performance. How one *demonstrates* this, through actions and behaviors, is critical to how they will be rewarded, recognized, developed and promoted. The consequences of management only managing and not leading, and of not having behavioral accountability, is the erosion of trust, damage (if not devastation) to your internal brand, and the likely loss of your better talent, in any market condition.