

One Size Fits One

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Best Practices to Build a Talent Strategy that Attracts and Retains a Committed Workforce

Employee turnover is expected to rise next year. Our latest research highlights that many workers are unhappy with their present jobs. In fact, 60% of employees intend to leave and an additional one-in-four are networking and updating their resumes.

This research provides a barometer of employee engagement in the workplace, with results that might likely alarm and surprise many employers. Employees are clearly expressing their pent-up frustration with how they have been treated through the downturn. While employers may have taken the necessary steps to streamline operations to remain viable, it appears many employees may have felt neglected in the process. The result is a disengaged and disgruntled workforce.

Common reasons for employee frustration often include such issues as:

- ◆ Lack of connection to, and alignment with, core organizational values;
- ◆ A sense of not being heard or valued;
- ◆ Lack of clarity about what is expected of them and their role, which can be exacerbated when there is also a lot of change occurring in the work environment;
- ◆ Confusion about how individual roles link to the business strategy; and,
- ◆ Increasing pressure and inability to achieve a reasonable work/life balance.

The Implications of Not Paying Attention

The best workers are mobile in any economy. Further research conducted by Right Management in this area highlights that people are attracted by career development opportunities, attaining work/life balance and working for an innovative company culture. If management doesn't provide employees with these opportunities, then workers are going to take their knowledge and skills elsewhere. Employees today change jobs because they can and want to, not necessarily because they have to.

The implications of not paying attention and not taking action now will cost businesses dearly. What's the impact of failing to stem the potential loss of high-value talent? Consider:

- ◆ Lower productivity as workers focus on job searches rather than on-the-job performance.
- ◆ Higher expenses, with the cost of unwanted turnover averaging about 1.5 times an individual's salary or more.
- ◆ Diminished resources as rehiring and onboarding take time away from other priorities.

- ◆ Lost business opportunities that not only impact profitability, but also negatively affect customer retention.
- ◆ A loss of intellectual capital as it walks out the door, along with the irretrievable investments made while the individuals were employed.

Most Workers Want to Quit

Do you plan to pursue new job opportunities as the economy improves in 2010?

- ◆ 60% - Yes, I intend to leave
- ◆ 21% - Maybe, so I'm networking
- ◆ 6% - Not likely, but I've updated my resume
- ◆ 13% - No, I intend to stay

Source: Right Management online poll of 765 employees conducted in October 2009.

Talent Management Best Practices

Lack of a talent management strategy is the number-one impediment to executing on business plans. Follow this five-step approach to build a world-class talent strategy that is directly aligned with the needs of the business:

Inventory Current Talent and Future Needs

The ability to strategically assess current talent – and the future talent needed – underpins the ability to meet and exceed organizational goals. In today's do-more-with-less business environment, higher productivity is often the single most important determinant of business success. With the right talent in place, brand-building is more effective and goal achievement is consistent, as is the delivery of higher competitive value to customers and stakeholders.

Every organization has a strategy, but may not have the right people with the competencies to execute it. Create competency models and success profiles to align and integrate what the business needs to accomplish with the talent needed to make it happen. Modeling identifies the knowledge, skills, abilities, experiences, motivations, and personality traits an organization's workforce must develop to realize present and future strategic goals and enhance company agility, innovation, engagement and retention. Well-designed competency models provide organizations with accurate criteria for optimizing performance management, as well as talent assessment, hiring, development, redeployment, succession management and promotion systems.

Align the Workforce with the Organization's Strategy

A winning strategy is no guarantee of successful results. Unless an organization can align its workforce behind its strategy, that strategy is likely to remain on the shelf gathering dust. Identify employee and workforce issues impeding strategy implementation. Prioritize workforce management strategies and align them with broader strategic goals.

A well-articulated strategy provides direction in terms of execution, performance and workforce management. It aligns the capabilities, processes, and attitudes needed to increase productivity and business performance. It provides a sustainable, proactive process to execute strategic imperatives and build internal understanding.

Once the strategy is communicated, it will often necessitate change. Mergers, acquisitions, restructurings, and dynamic market conditions can all drive strategic change. But a change in direction doesn't mean going off in all directions because the organization must maintain its focus. Managing change in a business environment that seems evermore volatile is an increasingly pressing leadership challenge. Yet if leaders are to do better than simply muddling through, they must be given the tools, techniques and support they require to succeed.

Team with executive leadership to explore current- and future-state implications, determine project scope and deliverables, define leadership roles and accountabilities and plan communications. Once strategy has been clearly articulated and agreed upon, support execution by clarifying fit-for-purpose structures and roles; deploying people, systems and process; and assigning capable leadership.

Assess employee change readiness, taking into account workforce morale, motivation and understanding, and identifying potential blockers and enablers.

Employees Value Career Development Most

What's most important when considering a new employer?

- ◆ 40% Career development prospects
- ◆ 21% Work/life balance
- ◆ 16% Innovative company culture
- ◆ 12% Competitive compensation and benefits
- ◆ 9% Good rapport with manager

Source: Right Management online poll of 1,259 employees conducted in October 2009.

Develop Leaders and Build a Pipeline

Build leadership capacity that is both deep and wide. Organizations must continually identify, develop, nurture and retain leaders as part of an ongoing talent management strategy.

Investing in leadership development will ensure a steady flow of available talent to continue to grow the company over time. Succession management can ensure a smooth, seamless transition from one leader to the next – and the one after that. A growing number of company boards and executives today are viewing succession management as an essential business process.

As the challenges confronting organizations proliferate, bringing leaders to the peak of their potential with maximum efficiency takes on increasing urgency. Coaching can accelerate leader development and deliver performance improvements that lift the entire organization.

People perform better when they understand what is expected of them, participate in establishing performance goals and receive continuous feedback and coaching. They perform best when their efforts are linked to the organization's strategy. Ongoing performance management should align individual performance with strategic objectives and measurable business results.

Focus on Employee Retention and Engagement

Employee engagement is a key driver of organizational effectiveness and directly impacts productivity and profitability. It's a critical measure of person-organization alignment, expressed as employee satisfaction, commitment, pride and advocacy. Leaders need to clearly and effectively articulate business strategy, vision, mission and purpose to the entire workforce. A workforce that understands the organization's strategy is better able to execute it.

An engaged workforce is 50% more productive than an unengaged workforce and displays retention rates that are 44% higher. Improve retention and engagement by helping employees understand the significance of their role and how they directly participate in achieving the company's business objectives and performance goals.

CASE STUDY: Proctor and Gamble Implements Custom Retention Strategy

This leading global organization was experiencing growing retention issues, particularly for employees who had been in the same role for about two years. There had been recent downsizing in the top and bottom levels of the organization, which meant that upward career growth opportunities had decreased significantly, resulting in an unprecedented increase in lateral movement across the company.

Employee engagement was trending downward for the second year in a row. They wanted to create an organizational shift so that employees could be more proactive and successful in managing their own careers.

Partnering with Right Management, the firm implemented a career management program

which involved assessments, workshops and individual one-on-one coaching. The program provided employees with career management tools to engage in self-discovery of their career-related issues and to translate data into pragmatic career plans.

To date, this program has been implemented division-wide to several hundred employees in North America, the United Kingdom, Switzerland, and China.

The company reports that the attrition rate of those who participated is less than half of the company's average, yielding the company a rate of return in excess of 300% on the investment.

Invest in Career Development and Redeployment

Strategically mobilize and size the workforce to meet the ever-changing business needs, as well as to minimize turnover and maintain employee productivity. Organizations that provide opportunities for career growth successfully retain top talent, sustain productivity and employee engagement, and align workforce competencies with new organizational needs.

Helping talented employees develop their careers offers forward-looking organizations a powerful engine for driving workforce engagement, retention and productivity. It also builds their reputation as an employer of choice and strengthens their ability to retain and attract top talent. Consider redeployment to align workforce competencies with new organizational needs.

Supporting individual career development across entire organizations can have a significant impact on engagement and productivity while ensuring organizations are able to fill their strategic needs. With a more skilled and qualified workforce, organizations are positioned to achieve better business results.

A Leader's Responsibility

The changing world of work demands more choice where one size fits one. Leaders must be able to accommodate different lifestyles and expectations and find ways to balance these with business needs to ensure high levels of productivity and performance. This influences how organizations attract, engage and retain talent.

A segmented, customized and flexible talent strategy is critical to stem the alarming levels of employee turnover anticipated next year. Implement flexible human resource policies and processes that address the unique needs, preferences and expectations of individual workers.

Put effort into attracting the best candidates – those who will be engaged and go above and beyond the call of duty, provide advocacy for, and commitment to, the firm. Employees are looking for a partnership. They want an employer who will invest with them, not just in them.

Linkage

Linkage is a global organizational development company that specializes in leadership development. We provide clients around the globe with integrated solutions that include strategic consulting services, customized leadership development and training experiences, tailored assessment services, and benchmark research. Linkage's mission is to connect high-performing leaders and organizations to the futures they want to create.

With a relentless commitment to learning, Linkage also offers conferences, institutes, summits, open-enrollment workshops, and distance learning programs on leading-edge topics in leadership, management, human resources, and organizational development. More than 200,000 leaders and managers have attended Linkage programs since 1988.

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