

The War for Talent

Attracting, developing and retaining highly talented managers

Ed Michaels, Helen Handfield-Jones and Beth Axelrod

Harvard Business School Press
ISBN 1-57581-459-2

The war for talent

In the late nineties a lot of organizations had vacancies they couldn't fill. Even after the dot-com bubble burst and the cooling off of the economy, this war for talent goes on.

Talent is now the critical driver for corporate performance, especially people with the ability to lead a company or department, a production team or supervisors.

Why the war will persist.

1. The irreversible shift from Industrial Age to Information Age.

The importance of hard assets declined relative to the importance of intangible assets (brands, intellectual capital, talent).

2. Intensifying demand for high-caliber managerial talent.

Managers who respond effectively to globalization, deregulation and technological advances are badly needed.

3. The growing propensity for people to switch from one company to another.

The downsizes in the late 80s broke the traditional covenant that traded job security for loyalty. The abundance of jobs

in the 90s made old taboos against job-hopping evaporating.

A new approach to talent.

If a company wants to win the war for managerial talent, it must act on following five imperatives:

1. Embrace a talent mindset.

Building a talent pool is crucial. Leaders in successful companies have a passionate belief that great talent is required in order to have any aspirations in business.

2. Craft a winning employee value proposition.

Companies should also create a clear, compelling reason why talented managers should join them and stay with them. People management should be addressed with the same vigor as customer management.

3. Rebuild recruiting strategy.

Today you don't find great employees for lists, you must go out and find them. Focus on hiring at multiple levels, identify intrinsic skills, look for new faces from new places.

4. Weave development into the organization.

Develop people to increase their capabilities: there are not enough fully developed managers and talented people have the tendency to leave if they feel that they are not growing.

5. Differentiate and affirm employees.

Differentiate pay, opportunities and investments in people.

Embrace a talent mindset.

This is a deep-seeded belief that having better talent at all levels is how you outperform your competitors, the source of your competitive advantage and the recognition that it pulls all other performance levers.

Don't delegate talent management to subordinates: commit a major part of your time to strengthen your talent pool.

We distinguish six talent-enhancing actions for leaders:

1. Establish a talent standard: sharp difference between poor, average and excellent performance is creating a benchmark for evaluation and promotion.
2. Get actively involved in people decisions: get involved in recruitment and hiring decisions ensuring that the talent standard is applied.
3. Drive a simple but probing review of talent: discuss the talent in your company vigorously and draft action plans.
4. Instill a talent mindset in all managers throughout the organization: talk frequently about the talent issues and make talent management as one of the leadership competencies.

5. Invest real money in talent.
6. Stress accountability for talent: let all business units set talent pool-strengthening objectives.

Craft a winning Employee Value Proposition

Talented people want to feel passionate about their work and to be enriched and inspired by their companies and leaders.

Core elements in a career opportunity for a solid employee value proposition are :

- o Exciting work: including giving as much autonomy and responsibility as possible and encouraging the formation of cross-functional teams.
- o A great company: managers want to like the culture and values, a well-managed company and leaders that inspire them.
- o Attractive compensation: money is important but reward and recognition are rated also as very important.
- o Opportunities to develop: talented people like companies that help them develop new skills, knowledge and experiences.

Evolving your Employee Value Proposition

Here the authors develop the case of SunTrust who was losing 46% of all branch staff and 55% of the best performers every year, in spite of repeated increases in compensation.

A swiftly rethinking of the company and its way of working offered the solution.

Rebuild your recruiting strategy

Today the recruitment works different than just putting out the word and people coming to apply. Companies have to do more and engage in solid recruitment strategies:

Pump talent in at all levels.

The model of promoting exclusively from within is disappearing. Therefore companies bring talent in at multiple organizational levels:

- o Senior- and mid-level: first-rate leaders at this levels can provide great role models for junior managers. Hiring at this level is a risk but if you want to expand your corporate gene pool, you have to take the risk.
- o Entry-level: maintain a strong pipeline of young talent that fuels your company's recruitment system.

Hunt for talent all the time.

Recruitment activities do not start when you have a vacancy. You need to hunt for talent continuously. This kind of opportunistic hiring works in any of three ways:

- o Identify the job a candidate you really want would fit in and court that person until one of those jobs becomes available.
- o Hire people with a specific role in mind and give them special projects until that role becomes available.
- o Keep people in certain jobs – suitable for mid- to senior level hire- only for a short while.

Tap many diverse pools of talents.

Tap talent from:

- o Different places: different schools, companies.
- o Different career stages: earlier or later in their career.
- o Different educational backgrounds.
- o Different work experience.
- o Different demographic profiles.

Develop creative new channels.

Target not only the people looking for a job but also those who aren't looking. Explore channels as the internet, databases and personal networks.

Weave development into your organization

Emphasis must be on the development of your people. Everyone in your organization – even if he/she cannot be a superstar – can push the limits of what they can. But many leaders do not understand how managers grow.

Job experiences are critical in developing people. You can :

- o Keep the learning curve steep: challenge managers with tasks they do not yet know how to do.
- o Give people different kind of challenges.
- o Give people high-octane special projects assignments: these assignments must require a variety of skills.
- o Continuously stretch the boundaries of current jobs: challenge people to reconceptualize their roles, reorient their responsibilities. Let the individual define the potential he or she will contribute.
- o Structure jobs to be more developmental.

- o Pay special attention to some jobs.

Mentoring is a powerful tool to help you weaving development in your organization. A mentor should offer encouragement and believe in the ability of the individual to achieve great things.

- o Carefully assign mentors
- o Explicitly assign duties
- o Follow up with mentees
- o Enable multiple programs
- o Note the benefits

Differentiate and affirm your people

In reality some people perform better than others, so you have to differentiate the people in your talent pool.

Assess people's performance.

Invest in your "A" players (people delivering consistently results and who inspire others), affirm and develop your "B" players (people meeting expectations, but who have limited upward mobility) and act decisively on "C" players (people who deliver barely acceptable results).

Show your appreciation.

Affirmation drives the individual's performance and job satisfaction and enables you to keep morale and productivity up.

The A-B-Cs of Talent Management.

In order to balance you're a, B and C players you must do following:

- o Invest heavily in A players: find out what they would most like to be doing and shape their career and responsibilities in that direction. Accelerate their development, give them regularly candid, affirming feedback and compensate them related to their contributions.
- o Grow the solidly contributing B players: therefore you should:
 - o Show genuine interest, care for them and value them.
 - o Listen carefully to them.
 - o Praise their strengths.
 - o Recognize their accomplishments.
 - o Demonstrate your trust.
 - o Pay them well.
- o Act decisively on C players: don't let them create uncertainty or be lousy role models.