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IS THIS 'ADHESIVE' INGREDIENT MISSING FROM YOUR TALENT MANAGEMENT STRATEGY?

BY BRIAN GAREAU



Talent management – the plan, processes, and disciplined behavioral practices used to make sure an organization has the right quality and quantity of people to meet both current and future business objectives – has become even more critical for business success. The current talent crunch is formidable and is not going away. Consider this:

- In the fourth quarter of 2018, the U.S. hit a 50-year low in unemployment.
- The Bureau of Labor Statistics reported 7.3 million job openings at the end of 2018.
- Skill gaps cost U.S. businesses an estimated \$160 billion annually.
- Replacement costs are high, running as much as 30-50 percent of an employee's annual salary to replace an entry-level worker and several hundred percent for specialized or high-level jobs.

A COMMON FRAMEWORK

Most organizations construct their talent management strategy on solid building blocks: attract, hire, develop and retain. Ongoing challenges and questions include the following:

1. Attract and hire. What new sources of labor should we explore? How does our organization catch the interest and attention of potential employees? What specific activities should we focus on to increase both the quality and quantity of applicants? How do we effectively and efficiently screen and select new hires?
2. Develop. How do we develop employees' knowledge, skills and abilities to do their current jobs more effectively? And how do we monitor and identify additional learning opportunities (education, training, job assignments, special projects, mentoring, etc.) to help build a talent pool capable of taking on more responsibilities?
3. Retain. What steps does our organization take to keep critical talent? How do we continually motivate and challenge everyone, especially high performers?

Each of these building blocks is absolutely critical, but without the proper "adhesive," many well-intended talent management activities will shift, slip, and potentially fall short of expectations and needs. That adhesive is employee engagement – an individual's commitment, effort and loyalty.



Let me illustrate, with three brief scenarios at Company X, the importance of employee engagement in attracting, hiring, developing and retaining talent.

1. A previous employee (resigned, fired or retired) is outside the building.

A friend approaches and says, “You worked at Company X. Would you recommend it to my daughter?”

Someone texts or posts on social media, “Considering applying at Company X. What is it like working there?”

A potential candidate asks, “What makes working at Company X different than working at other companies?”

These are some defining moments in attracting new talent. Are current or previous employees promoting your organization? Are they encouraging or discouraging prospective new applicants? Engaged employees will be stronger company advocates than their disengaged colleagues.

2. Employees are told they must complete some training and development (T&D) at Company X. Most T&D activities there are focused on critical, current operational needs and not longer-term development; they are “sheep-dipped” activities (one size fits all); they’re viewed as a necessary chore; they lack clarity on WIIFE (what’s in it for the employee); and they seldom have follow-up on actual use.

When an organization helps employees develop, it demonstrates that it cares about their success and their future – a sign of engagement in their well-being. Employees are more likely to reciprocate in a company like this. And genuine interest and concern help build loyalty, a key component of employee engagement. In my corporate experience, we found a more than 30-point (not percent) difference in the level of employee engagement between those who felt this genuine interest in their well-being and those who did not. Research has also found that engaged employees are 87 percent less likely to leave an organization than those who are disengaged.

3. Company X touts its low employee turnover. But it continually tolerates some employees’ poor attitudes and behaviors, avoidance of accountability, and general lack of initiative. These employees basically “show up” and only do what they are told, no more. These disengaged employees give the company their hands (doing what they are told) but not their heads (creativity and problem-solving), their hearts (commitment), or their habits (consistency).

Disengagement is costly. Research shows that a disengaged employee costs an organization approximately \$3,400 for every \$10,000 in annual salary. And disengaged employees impact engaged employees, who have to pick up more of the load of work around those who are disengaged.

THE ADHESIVE

The concept of employee engagement has been around since 1990. It differed from previous focuses on employee satisfaction and commitment because employee engagement showed directly how employees’ attitudes and behaviors could impact performance. It gained significant momentum and interest in the early 2000s.

Unfortunately, many employee engagement initiatives lacked robust plans and buy-in, execution rigor, accountability, and commitment. Common missteps and mistakes organizations have made include the following:

- A belief that there was little strategic value, with limited time and resources allocated
- Laser focus on a single measurement of success, such as a survey score
- Fixation on only the rational drivers of engagement; emotional drivers were discounted or ignored
- Reluctance to change the behaviors of leaders, so their culture (accepted way of doing things) stayed the same
- Lack of integration; engagement was treated as a stand-alone HR initiative
- Information bias – focus on surveys, analysis and number crunching, with minimal feedback or tangible action
- No mutual responsibility for engagement between company/leaders and employees
- Ignoring ongoing research findings and locking in on the mindset “but we’re different”
- Declaring victory too quickly – sustainable engagement only happens when employees consistently do the right thing, at the right time, the right way, for the right reason

WHICH STRATEGY TO FOLLOW

There are two primary ways businesses have and will continue to compete for talent – an exclusively rational approach and a blended/differentiated strategy.

- Exclusively rational. This strategy focuses on what I call the basic “ticket to play.” Factors include competitive wages and benefits, physical safety, basic tools and technology needed to do the job, etc. With this method, a company monitors its local competitive



market and tries to keep pace. There is only one leader in this approach, and it's hard to maintain leadership. Some other company is always trying to tweak the "ticket value" with a little more money or a perk to help attract, hire, develop and retain employees.

- Blended or differentiated. This strategy starts with the above rational elements. These must be done first. Remember, they are the basic "ticket to play." But then the focus moves on to emotional elements that ultimately are additional drivers of employee engagement. This approach can have multiple leaders, differentiating themselves from others by focusing on one or more of the following:

- Being ethical and values-based. Values are not compromised when tough decisions and choices must be made. Companies with bad reputations or that are being negatively portrayed in the news or on social media will be severely challenged to get and keep talent.
- Having a positive work culture. This environment encourages genuine camaraderie, not internal competition at the expense of someone else. Employees experience both physical and emotional safety. They feel affiliation (being part of a winning team); affirmation (being valued and appreciated, not taken for granted); and achievement (having pride in doing something that matters).
- Inspiring leaders. Leaders have a great deal of influence on the way employees do their jobs and the level of commitment they give. Research has shown that as much as 35 percent of the variability in employee discretionary performance is a result of managerial styles and behaviors. Inspiring leaders routinely make their employees feel important, genuinely cared for and appreciated. It's been so often quoted that it's

threadbare, but employees excel with good leaders and leave bad ones. It requires both hard and heart work!

- Providing life balance. It's not about equal time between work and life anymore. It's about an individual's desired proportions. For some, life balance is where or how they work (home/office/available technology). For others, it's being able to cut the electronic umbilical cord and truly disconnect for a little while. And still others desire flexibility with start/stop times or acceptable hours to have meetings. Ultimately, life balance isn't a single solution, a simple policy or a procedure change. It's listening, customizing and making it easier for more employees to consistently be their best.
- Holding leaders and all employees accountable for the concepts listed above.

I'll leave you with three simple but powerful questions to think about. If your current workforce is discouraged, discontented, disconnected or disengaged, then...

1. *Why would they be strong company advocates and good teammates?*
2. *Why would new people want to join your organization?*
3. *Why would good talent stay?*

Employee engagement may be the glue you need to make your talent management strategy and, most important, your results, even stronger. Just make sure it's applied effectively.



Brian Gareau has been studying, consulting, and implementing employee engagement initiatives for more than 15 years. He helped lead a successful eight-year employee engagement initiative at a Fortune 50 corporation and has written several books on the subject. More information is available at BrianGareauInc.com, or contact him directly at Brian@BrianGareauInc.com.

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