



Talent Retention



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TALENT RETENTION

Talent drives organizational performance and sustained growth. Now, with the recession winding down, employers worldwide are ramping up their demand for talented employees. In the Pricewaterhouse Coopers 12th Annual Global CEO Survey 2009, 97 percent of CEOs indicated that access to, and retention of, key talent is their number one source of competitive advantage for sustaining long-term growth. Yet, there are many indicators that point to the risk of losing key, talented employees. A widely respected world leader in global business intelligence, Economist Intelligence Unit, concludes that firms risk suffering deep talent erosion as cutbacks during the recession have undermined trust in the workplace.

On Tuesday, June 8, 2010 the government said that the number of people leaving their job rose in April to nearly 2 million. This is the most in more than a year and an increase of almost 12% since January.

A survey of 20,000 workers, identified by their organizations as “high potential,” published in the May edition of the Harvard Business Review, indicated that about 25% of these top performers plan to leave their jobs within a year.

Retention is a Management Issue

Long experience shows that talented employees do not leave an organization, they leave a manager. Many front line managers deflect the loss of talent up the organization as strictly a matter of monetary compensation. Yet, in Fortune Magazine’s “100 Best Companies to Work For” survey, not a single employee mentioned money as a reason why they loved the place they work.

Surely, managing today is a complex task requiring multiple skills that must include people skills. Successful people management has always been complex. And now, for the first time in history, we have four differently defined generational groups in the workforce, greatly compounding the complexity of management. Many managers became a manager by being an effective performer in a non-managerial job. Functional, financial, and operational performance are necessary in a managerial role but, to be successful, a manager must be skilled in the selection, development, and retention of those whom they manage. There is a real need today for organizations to provide managers with development opportunities that focus on people skills.

RETENTION THOUGHTS

What Talent Does The Organization Need

Senior leadership should define and document the core skills and competencies that the organization must have to achieve its vision. This provides the necessary input for both hiring new employees and developing current ones.

Hiring the “right” people is the beginning of retention. Selection Assessments help the organization hire people who are “right” for the job and “right” for the organization’s culture. Research shows most organizations have a 60% accuracy rate in hiring. Research also shows CMA’s assessment process has the potential to move that hit rate to 90%.

Who Does the Organization Most Need to Retain

An organization's core competency model defines those skills and capabilities that are critical in order for the organization to successfully carry out its strategy and achieve its vision. People who possess these skills and capabilities and who also have potential for growth are those who the organization most needs to retain. **Development Assessments** are a highly effective, objective way to identify who has the needed skills, capabilities, and potential to effectively lead various parts of the organization. Insight into potential based on normed, objective data helps avoid promoting people to their level of incompetence which is costly in terms of dollars, morale and lost opportunity.

Individual assessment results provide a data-based foundation for talent reviews. Because assessments use normed data, they provide a common metric for comparing/contrasting talent across the organization regardless of work location.

Aggregate Profiles of assessment data provide high quality, objective input for **Succession Planning**, bench strength analysis and the degree to which the organization can successfully implement its strategy and achieve its vision with talent it currently has.

How to Retain Talent

Once the individuals the organization most needs to retain are identified, how should executives act on that information? Suggestions include:

- Communicate to each employee how his/her job relates to and supports the organization's vision and strategy.
- Provide management development opportunities that include people management skills and experiences that develop these skills. For example, CMA offers **The Leadership Advantage** program.
- Challenge and develop talent through cross-functional work and assignments that stretch employees out of their comfort zone.
- Empower talent...don't micromanage talent, and provide clear, direct feedback.
- Maintain an organizational culture that provides talent with a sense of ownership. Ownership is the essence of engagement.
- Respect that talent has a life outside of work.
- Align the expectations of key talent with job content, performance management, rewards, career development and opportunities.
- Manage talent individually, not as a "workforce."
- Regularly schedule senior management to meet with and inspire high potential talent.