

Retaining Top Talent in a Turbulent Job Market

Investing in and Cultivating Talent is the Key to Survival and Future Growth

by Solange Charas

Recent reports have indicated that nearly 50% of the U.S. work force is unsatisfied with their current job. While the largest group of unhappy workers seems to be the under-25 “Generation Me” crowd -- as coined by Jean M. Twenge and W. Keith Campbell -- still the sheer number of unhappy workers is quite troubling. Amid the prospect of a recovering labor market, this news should be downright disturbing to business owners and managers. Now is the time to prepare in order to help prevent the loss of talented employees who may “jump ship” when the opportunity is right.

Studies have shown that only companies that change their management approaches survive for more than 18 months post recession. If you want your company to survive the recovery, it must embrace change and find new approaches that reflect the new business environment. As it relates to HR, there are a few new approaches to measuring business performance. Lawson, in “New Post Recession Performance Metrics: Balancing Cost Cuts with Investment in Recovery and Growth”, suggests that emerging measurement strategies include: measuring employee productivity in ways such as sales per employee and value-added per employee; and improving and measuring an employees’ understanding of their contribution to business performance.

Identifying cultivating and adopting more appropriate measures for top talent can be the key to recovery and long-term growth. But how will you know who your most talented and productive individuals are? And, how will you know if they already have one foot out the door? By examining and analyzing human resources from a more holistic perspective and seeing employees as talent capital, rather than mere workers, companies can do more to retain and nurture talent, and ensure a mutually beneficial future for both employees and the company.

Why Retention Matters

While there may be a number of people your company may not be sorry to see go, valuable others may be on the fence. Retaining those team members who are critical to business processes and continuation is crucial. Ironically, those MVPs may not be the “usual suspects”—certainly the C-level suite is important, but there may also be key individuals among the ranks whose experience, knowledge, charisma and vision may be vital to progress.

Identifying these MVPs and keeping them on your team is important beyond the parameters of human resources. So much of a company’s success, its value to customers and its potential for future growth reside within its people. Keeping your most talented team members on your side helps to retain:

- Institutional memory—the how and why of your operations, history, client values and methodologies. Change rarely happens in a vacuum and understanding the historical context for changes maintains a foundation for future growth.
- Relationships—with customers and vendors, and other employees. Particularly where cross-departmental collaboration is concerned, internal relationships can be vital for optimizing performance and knowing who to turn to in order to get things done.
- Knowledge base—the technical skills, operational expertise and experience of team members. When this is lost, so too is the opportunity to leverage this inherent knowledge across the organization.
- Investment—in your employees as valuable human capital. If you’ve invested in education, skills building and professional development for an employee, the ROI is gone the minute they walk out the door.

Changing Human ‘Resources’ Perspective

Chief among the reasons most employees give for leaving a position is the lack of perceived investment on the part of the company in their value as an employee. They feel neglected with regard to training and skills development. The importance of lifestyle has begun to play a major role in employee satisfaction. Workers want a job that supports their lifestyle, not one that consumes it.

Particularly since 9/11, people have sought a greater sense of purpose and meaning in their work. This is especially true among the “Generation Me” set, whose members seek more fulfillment and enjoyment from their jobs in lieu of loyalty, security and a lifetime commitment.

In order to prepare for the future, employers must devise better ways to accommodate this desire, cultivate and harness the incredible creativity, skill and insight inherent in their employees and retain it for future success. To do so, requires a paradigm shift in the way an organization perceives its employees.

The fundamental distinguisher between human resources and human capital is the idea of consumption versus investment. Even the term human “resources” denotes a finite commodity—something that is diminished or consumed through its use, much like coal, timber or oil. This concept is exactly what most employees today are seeking to avoid.

On the other hand, “capital” is invested, nurtured and pays dividends in the form of a return on that investment. Capital generates additional wealth. By thinking of your employees as human capital—something in which you invest and that pays dividends—you can look beyond output and production to determine their real value to the organization, based not just on skills and accomplishments, but also the inherent contribution they make to the culture of the company and the motivation they bring to the job, their colleagues and the workplace.

Likewise, this perspective will change the way employees view themselves and their own roles within the organization—as something to be valued, nurtured and cultivated for the future, and having an impact on the success of the business -- rather than expended in the name of progress.

Making the Investment

While employees understandably want compensation equal to their skills and effort, they also want to feel invested in as people and professionals. To retain top talent and maintain employee engagement, loyalty and commitment, companies should consider the following investments:

- Training, beyond skills development to include more indirect programs, like communication, motivation, time management, problem solving, team building and other areas applicable to everyone in the organization.
- Assessment, not only of employee skills, but also competencies to help uncover unique aspects of each individual’s abilities and character that may be brought to bear more effectively in the workplace.
- Job duty and performance mapping to determine the exact skills, competencies, qualifications and attributes required for each job role in order to be successful.
- Competency matching to ensure that the right employees are in the best position for their competency and skill level. For example, some employees may feel dissatisfied not because of the employer or the salary, but because they’re simply not in the position best suited for them. Matching required competencies of the position to the competency profile of the employee tends to result in high-performing, motivated and satisfied employees.
- Career path and succession planning, which serves the best interest of both the employees and the employer. Career path planning helps employees feel that the company is concerned about their future, which can dramatically improve their level of job satisfaction. Likewise,

succession planning helps the company prepare for ascension, attrition and vacancies by having the right talent in place and ready to go, to ensure the continuation of strategic objectives.

- Comprehensive talent management tools that can help integrate all of these functions—from HR and training to career and succession planning to measuring and understanding performance impact on business success—within a single cross-functional platform. An integrated solution makes it easy and economical to manage the diverse, yet interconnected, needs of an effective human capital management strategy without a massive upheaval in process, exorbitant capital expenditure or a lengthy and complicated roll out.

In the modern employment setting, every internal function touches another; the days of looking at HR, payroll, training, etc. as individual silos are behind us. With a more integrated, holistic perspective, backed by solid, integrated tools, both employers and employees can achieve the level of success, satisfaction and fulfillment required to move forward—even amid an uncertain future.

Evaluating, nurturing, cultivating and measuring the impact of talent is an absolute must for reducing the risk of losing your most valuable human capital once the job market rebounds. To do so requires the right set of tools that can expand human capital management beyond the traditional set of HR and training functions to integrate career path and succession planning, as well as training and skills, competency and motivational assessment. By overlooking any of these areas, one can only wonder how many of your most valuable and talented employees already have one foot out the door. And, you may not know what you're missing until it's already gone.

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