

# INNOVATIONS

by **PRIDESTAFF** **LIVE**



PRESENTED BY

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## Winning the Talent Wars

How to Build a Winning Culture of  
Attraction, High-Performance & Retention



# Winning the Talent Wars

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# What Are the Talent Wars in 2018?

- ▶ Hiring managers report that hiring, managing, and retaining top talent is more difficult today than at any time in recent memory.
- ▶ The Talent Wars are affecting organizations of every size, at every level, in every industry:
  - ▶ Average durations of employment are decreasing
  - ▶ Voluntary unplanned turnover rates are increasing
  - ▶ Departure demand (those employed but seeking other employment) is increasing
  - ▶ Open-position rates and time-to-hire rates are increasing
  - ▶ Early voluntary departure of new hires is increasing

# The Talent Wars Are NOT Going Away

- ▶ There are three major factors influencing today's talent wars which indicate that the problem is not going away any time soon:
- ▶ SUPPLY & DEMAND
  - ▶ The rising demand for qualified workers promises to outpace supply in nearly every field for the foreseeable future
  - ▶ Unemployment has plummeted since 2010, and over the past five years wages have been on the rise - As employees gain more options, they also gain more leverage with employers
- ▶ DEMOGRAPHICS
  - ▶ By 2020, individuals born 1990 and later will comprise greater than 28% of the North American workforce
  - ▶ On the other end of the spectrum, organizations with significant "age bubbles" will feel the greatest effects as the oldest, most experienced employees retire
- ▶ SHIFTING MINDSET
  - ▶ Employees of all ages are much less likely to buy into or be motivated by promises of long-term rewards

# Costs and Challenges for Employers

- ▶ There are five major costs of unplanned turnover for organizations:
  1. Replacement costs
  2. Lost ROI on talent development
  3. Disruption in work flow and relationships
  4. Diminished morale and copycat departures
  5. Loss of bench strength
- ▶ There are also other significant challenges:
  - ▶ Retirees take with them great amounts of skill, knowledge, wisdom, and institutional memory
  - ▶ Organizations with a large contingent of young workers will have to learn to negotiate employment with an increasingly transactional, free-agent workforce
  - ▶ Employees of all ages have more negotiating power: if they no longer expect to pay their dues for years on end, employers have to do more to retain them in the short term

# Build a Winning Culture

- ▶ There are two options:
  1. Enter an endless bidding war for talent, or
  2. Build a winning culture
- ▶ Cultures are either “by design” or “by default”
- ▶ Winning cultures are intentionally built, with:
  - ▶ A clear and compelling mission
  - ▶ Reliable communication alignment
  - ▶ Strong and supportive leadership
  - ▶ Collaborative high-performance teams
  - ▶ Real accountability and flexibility
  - ▶ Recognition for high performers

# Step 1. Design Dream Jobs for Superstars

- ▶ Nobody wants to leave their dream job, right? Building dream jobs is one large step towards retaining the best talent today.
- ▶ We've identified eight "dream job" factors in our research:
  1. Performance-based compensation
  2. Supportive leadership
  3. Role and responsibilities
  4. Location and workspace
  5. Scheduling flexibility
  6. Training and development
  7. Relationships at work
  8. Autonomy and creative freedom
- ▶ Our research indicates that there are generational preferences when it comes to these factors

# Step 2. Selection Is Key to Hiring

- ▶ The results of poor hiring lead to huge costs for employers. The key is to be very, very selective during the hiring process:
  1. Scare Them Away
  2. Testing
  3. The Behavioral Job Interview
  4. The Realistic Job Preview
  5. Close the Deal Fast and Stay In Touch
- ▶ Meanwhile, never forget that day one is the most important day for any new hire. Don't fail to continue the energy and support provided during hiring once new employees arrive on their first day.

# Step 3. Onboard New Employees Quickly

- ▶ Getting employees up to speed without a plan may have been acceptable in the workplace of the past, but not anymore
- ▶ New employees want to hit the ground running on day one, but they don't want to be thrust into a sink-or-swim situation
- ▶ When it comes to managing new hires, there is a simple rule: **Day one is the most important day, and month one is the most important month.**
- ▶ Consider the US Military's great on-boarding model: Boot Camp

# Step 4. Make Everyone a Knowledge Worker

- ▶ Knowledge work is not about **what** one does. Knowledge work is about **how** one does something
- ▶ If an employee leverages information, technique, and ideas in their job, then they are a knowledge worker. If they do not leverage skill and knowledge in their work, they are going to be far less useful
- ▶ The challenge for managers is to keep employees focused on the work while also encouraging an environment of learning and improvement
- ▶ Individualized learning plans are one effective strategy

# Step 5. Controlling Turnover: Make Every Manager a Chief Retention Officer

- ▶ Your goal should not be to eliminate turnover, but rather to **take control** of turnover
- ▶ The only way to ensure that the high performers stay and low performers go is to be the one deciding who stays and who goes
- ▶ Turn your leaders and managers into “Chief Retention Officers:”
  - ▶ Work with employees to meet their wants and needs
  - ▶ Ask employees often, “Is there anything we can do to keep you?”
  - ▶ Be mindful of requests for special accommodation: what is the cost? What is the potential benefit?
  - ▶ Talk about retention on day one and every day after that

# Step 5a. The Prestige Factor

- ▶ In order to retain the best, you need to send two messages:
  1. Not everyone gets to work here
  2. It is an honor and a privilege to work here
- ▶ Managers are critical to building prestige factor, even if an organization's brand isn't prestigious on its own
- ▶ Nobody wants to work in an environment where they feel unsupported by their leaders and insufficiently recognized or rewarded for their concrete efforts
- ▶ By setting up a highly-engaged management loop of constant feedback, challenge, and evaluation, leaders help everyone meet a prestigious standard

# Step 5b. Push Out Low Performers

- ▶ Low performers are a huge drag on everyone they work with, and that causes a ripple effect throughout the organization
- ▶ Shining a “bright light of scrutiny” on these low performers forces them to either improve or escape the scrutiny
- ▶ Typically the increased scrutiny causes low performers to “fire themselves,” thus opening up opportunities for better new hires or strong internal promotions

# Step 5c. Prevent Downward Spirals

- ▶ Downward spirals are one major cause of voluntary departure by otherwise talented, loyal, or hardworking employees
- ▶ Downward spirals typically are caused when employees:
  - ▶ Fail to adequately learn a new skill
  - ▶ Struggle to perform a task
  - ▶ Feel uncomfortable with a new responsibility
- ▶ Managers must be able to recognize when employees are facing these challenges and work with them to find a solution

# Step 5d. Start an Upward Spiral Instead

- ▶ The number one thing a manager can do to reverse a downward spiral is to help the employee improve
- ▶ Help the employee see what is going wrong, why, and how to make things better
- ▶ Break down the project into small, achievable goals
- ▶ In the process, the employee is likely to learn and grow, feel increasingly competent, and build a relationship of trust and respect with their manager

# Step 5e. Do More for Your Superstars

- ▶ Doing more for your most valuable talent is the only truly fair way to reward and recognize those individuals in line with their performance
- ▶ Being flexible and generous is the key to retaining good employees, so it only makes sense to do more for your great employees
- ▶ **Providing differential rewards based on performance only works if managers do the hard work of practicing true accountability!**
- ▶ Get everyone - managers and non-managers alike - to be in the habit of regularly and rigorously documenting performance every step of the way
- ▶ Make sure to document performance against concrete, measurable goals

# Are You Ready to Win the Talent Wars?

- ▶ The struggle to attract, motivate, and retain the best talent is the new reality of the labor market and it is here to stay
- ▶ There is no quick fix, but building a winning culture will make your organization a place where talent wants to come to contribute their best efforts and stay
- ▶ Implementing these strategies is a matter of consistency and tenacity - you have to take time to make your organizational culture stronger each and every day
- ▶ Questions?
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  - ▶ Website: [rainmakerthinking.com](http://rainmakerthinking.com)

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This program has been approved for 1 (HR (General)) recertification credit hours toward PHR, SPHR and GPHR recertification through the HR Certification Institute as well as 1 credit (PDC) towards SHRM recertification.

