

Beyond the War for Talent

By: James F. Bolt, Chairman, and
Jojo S. Fresnedi, Senior Consultant
Executive Development Associates

There's a war going on out there. It's a war for talent, and the stake is market share, profits, customer loyalty, and long-term viability. What's the cause of this war? Now, more than ever, companies depend on talent, and talent is scarce. The current economic downturn in no way negates the forecasted long-term shortage of talent. In fact, you have to wonder whether companies are being too quick to downsize, or if they are cutting too deep. When the economy turns around, the cost of finding and hiring the quality of the talent needed to grow will be enormous.

Yes, the economic downturn is taking its toll, but in today's dynamic business world, organizations and their leaders are challenged to think beyond the downturn. It is clearer than ever that traditional sources of competitive advantage are disappearing and that talent is the new name of the game. Unemployment is at a historical low; top talent is still accepting tempting offers from start-up companies; employees are more demanding and less appreciative; it is increasingly difficult to use incentives such as stock options; employees have been leaving companies to start their own businesses in record numbers; and employee loyalty is waning.

“The current economic downturn in no way negates the forecasted long-term shortage of talent.”

Recruiters and other Human Resource professionals are challenged to find more creative techniques to attract and retain employees. However, it is clear that line executives need to better understand and

appreciate their role. To explore this critical issue, Intel, IBM, BellSouth, Fidelity Investments and Agilent Technologies recently sponsored a new concept called the Future Leadership Roundtable, with the theme: “Beyond the War for Talent: The Role of Leadership Development.” Executive Development Associates (EDA), a leading executive development consulting firm, organized and facilitated the Roundtable. This article outlines the Roundtable process and some of the highlights and conclusions.

“...the ‘War for Talent’ is a zero-sum, lose-lose battle...”

Beyond the War for Talent Roundtable

The premise for the Roundtable was that the "War for Talent" is a zero-sum, lose-lose battle, and that many of the attracting and retaining talent strategies aimed at winning the "War for Talent" are seriously flawed. The Roundtable premise also included the belief that people are attracted to, and stay at, great companies where there is great work and where they have a great boss. **These are issues of leadership!** Thus, the focus of the roundtable was on the leader as the crucial factor in attracting and retaining talent.

“...people are attracted to, and stay at, great companies where there is great work and where they have a great boss.”

The Roundtable was designed in a “Think Tank” format to explore current and future trends related to the war for talent, the leadership capabilities needed to attract and retain talent, and the role of leadership development in helping develop those capabilities. The Roundtable brought together a small group of thought leaders to collectively search for answers – to share their experiences and effective practices, and to advance the “state of the art,” i.e., to push beyond the current level of understanding and explore new, innovative, leading-edge perspectives and practices.

“The goal was ...deep dialogue rather than passively listening to a parade of interesting speakers...”

Participants included 35 corporate executive and leadership development practitioners and line executives from leading companies, along with selected thought leaders/experts who participated as catalysts for facilitated dialogue. The goal was to find answers, not provide them, and on intimate, deep dialogue rather than passively listening to a parade of interesting speakers in an auditorium of hundreds of people.

Participants spent 1-½ days in lively discussions, as well as thought-provoking activities including brief presentations, using state-of-the-art communication and learning technology. From time to time, each participant entered questions, ideas, feedback and survey responses using locally networked computers. EDA consultants (one at each of four participant tables) then facilitated dialogue both in small groups and with the full group.

A customized website supported participants before and after the event. The website helped to facilitate networking and preparation prior to the event and to sustain communication, learning and networking after the event. The proceeds of the Roundtable were posted on the

website in a meeting journal format for future reference and discussion.

“Honesty, openness and integrity were among the keys to inspiring and retaining top talent...”

Roundtable Highlights

Forces and Trends

Ed Michaels, who is a Director at McKinsey and Company, presented highlights from the McKinsey War for Talent research update conducted last year. Ed led the original War for Talent research project in 1997, which was a wake up call for business. He covered several talent imperatives that will be included in his new book:

1. Make talent your job
2. Create a high performance culture
3. Craft a winning value proposition for your talent
4. Recruit strategically and furiously
5. Grow great leaders

Bruce Barge, Director of Organization Effectiveness and Development for PricewaterhouseCoopers Global HR Solutions, discussed how the global talent pool will continue to both shrink and age over the next ten years. Their research with “most respected” companies indicates that the most important business challenge facing them is the recruitment of skilled staff. He gave his perspective on how the employer/employee relationship will change in the future. Bruce placed special emphasis on the importance of integrated Human Resource systems, marketing the company vision to employees and the growing importance of employee portals to enhance work and lifestyle.

“Treat your employees the way you would want your child to be treated by their employer.”

The Panel Discussion

Five Panel Members discussed the Role of Leadership in attracting and retaining executive talent. All shared the belief that the “human touch” in attracting and retaining top talent is key. It was agreed that leaders must be in tune with what motivates people. Honesty, openness, and integrity were among the keys to inspiring and retaining top talent that were discussed. A thought-provoking point made by one of the line executive panel members, David Scobey, VP Product Commercialization, Bell Long Distance and Carrier Professional Services: “Treat your employees the way you would want your child to be treated by their employer.”

“...when employees leave, they leave their boss, not their company.”

Leadership Characteristics

The Panel Discussion was a catalyst for the subsequent effort to identify the critical leadership characteristics for retaining the best talent. At small groups, participants told personal stories about people they had worked for who inspired them and made them want to stay with that company. They then identified the common characteristics of leaders who they know are effective at retaining top talent. Using networked computers, each group submitted a list of 10 characteristics. The lists were combined into a collective, consensus list. Then participants selected the top five characteristics of leaders who are great at retaining talent:

- 1. Identifies potential and brings out the best in people**
- 2. Stretches people beyond their previously perceived ability**
- 3. Sets clear expectations and gives feedback, honestly**
- 4. They are passionate and emotionally engaged**
- 5. Establishes an environment of trust**

“...(an) award is given to one employee recognized as having contributed significantly to people development.”

Some key questions and conclusions:

- These characteristics seem to be common to effective leaders. What does this tell us about leadership and the War for Talent? Are there unique characteristics that were not surfaced by this process? The participants concluded that there are not. Great leadership seems to be the answer. This conclusion is supported by other recent research suggesting that when employees leave, they quit their boss, not their company.
- Given that the characteristics are common to effective leaders in general, why are leaders not more effective at retaining their best talent? It is possible that leaders have the needed skills, but do not realize the criticality of the issue. This points to the need for further research to discover how to leverage fundamental leadership skills to retain top talent.

“Texas Instruments’ goal is to make talent central to their strategy for winning in the marketplace.”

The Role of Leadership Development

Gloria Olson, Human Resource Manager, TI Vice President, Texas Instruments Incorporated, shared information about their Talent Boot Camp. Texas Instruments’ goal is to make talent central to their strategy for winning in the marketplace. The concept of the TI Talent Doctrines and Boot Camp are based on their assumption that Great People + Great Work = Great Business Results and Great Rewards.

The Texas Instruments Talent Leadership Boot Camp highlights:

- Led and taught by line executives.
- Sets the foundation for individual and organizational behavioral change by creating unity and alignment around the Texas Instruments Talent Doctrines (principals underlying their talent strategy).
- Results in a winning business talent strategy being created for each Business Unit.
- Aligned team and individual action plans are created.

Examples of Other Talent Practices

The participants shared their current leadership development efforts aimed at helping their executives be better at attracting and retaining talent. For example:

- At one organization, the People Development Award is given to one employee recognized as having contributed significantly to people development. Anyone can make a nomination, and any employee is eligible to be nominated. The nomination committee receives thousands of nominations each year.
- Another company has a Chairman's Advisory Board made up of high potential employees. The employees are selected each year and contribute to the strategy of the overall organization as part of their development. None of the high potential employees have left the company in the four years that it has been in existence.

There were many additional ideas generated by the participants.

“Participants saw the potential for the use of internal Talent Roundtables.”

Next Steps

In an effort to win the war for talent, participants came up with the idea of developing in-house Talent Roundtables. Roundtables focused on the war for talent held within an organization could facilitate the development of an internal talent strategy and provide a forum for sharing of best practices among business units and functions. Participants saw the potential for the use of internal Talent Roundtables as a methodology that could help win the War for Talent.

Hopefully, this community of interest will continue to communicate, learn, share and network together through the LearningPointSM custom website created for that purpose.

For more information about this and other Roundtables, go to:

www.executivedevelopment.com

Or, email us at:

eda@executivedevelopment.com

About the Authors:

James F. Bolt

Jim is the founder and Chairman of Executive Development Associates. EDA creates executive development systems that help make clients' leadership talent a competitive advantage. You can reach Jim at jbolt@executivedevelopment.com

Jojo S. Fresnedi

Jojo is a Senior Consultant with EDA located in London. Jojo was previously the Vice President and Director of Management Training at San Miguel Corporation in Manila, Philippines. You can reach Jojo at jfresnedi@executivedevelopment.com