

HaRe Group newsletter: 8 November 2006

Subject: Solutions for keeping & stimulating talent

All employers have felt the disappointment of losing an outstanding employee. Many companies accept that talent attrition is inevitable, but typically, it's the market leaders that do the right things to retain quality people.

The heads of many successful companies have often said that their best employees are most responsible for generating business value, or creating their competitive advantage. For one, Bill Gates has said: "Take our 20 best people and virtually overnight, Microsoft becomes a mediocre company." So what do these market leaders do to engage their talented employees and keep them focussed on business value creation?

In every organisation, there will be a distinctive blend of management practices that will stimulate the desire of employees to stay focussed and committed. Amongst the available research, a regular Hewitt survey indicates that the most common themes within its *Best Employers* include:

- A clear business focus for employees that is communicated simply & effectively;
- Accelerated development of their most talented employees;
- A culture that drives organisational performance.

Complementary research by McKinsey indicates that strong organisational performance is fuelled by a congruent combination of factors, most often including:

- Clarity of roles within a structure that is matched to the needs of the business;
- A compelling vision of the future;
- A culture that encourages openness, trust and challenge.

Organisation culture is, without question, a critical issue for every employer. The individual and collective behaviour of employees, and their interaction with their business environment, has a huge influence on a company's ability to properly execute its business strategy and achieve its objectives.

Therefore, for any organisation, a primary requirement is understanding the particular culture that is needed for business success. However, too few HR programs are deliberately aimed at encouraging and sustaining this preferred organisation culture, and rarely are these programs based on the impartial experiences of market leaders.

There are numerous methods of defining organisation culture. Many are complex and academic – some are more focussed on real solutions. In my experience, remuneration solutions are well informed by how an executive team would complete these six statements:

1. Business results should be achieved primarily because of
2. People should make their decisions based on
3. The top priority of employees should be
4. People should be mostly concerned about
5. People should be recognised for
6. People should identify most with

The [Remuneration Fitness Check](#) on the HaRe Group website includes a questionnaire with three alternative endings to each statement. An employer's selection of its preferred alternatives can be benchmarked to the different cultures of market leaders and their remuneration programs. This comparison will generally inform the employer about the remuneration solutions that will contribute most to the retention of talented people.

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