

HaRe Group newsletter: 30 May 2008

Subject: Talent management - what bigger priority?

More than 10 years ago, the War for Talent was declared. Many companies signed up by committing serious resources to talent attraction, retention, development and motivation. Has anything changed?

While the shifting sands of the Australian, US and global economies keep our attention on lots of GDP, CPI, AWE, LPI, ROE, ROI, EVA & EPS data, many employers understand that the most powerful drivers of business performance still include talented employees. In many industries, people are still the biggest source of competitive advantage. Global research by *McKinsey* clearly shows that competition for talent is still a huge concern for most companies over the next five years.

One notable change is found in our workforce demographics, which is raising the heat in the corporate kitchen and most employers know they can't afford to get out. For example, they now have to execute strategies to keep their baby boomers and harvest their knowledge for the benefit of younger generations. (See the *BRW* earlier this month for some useful tips on the management of Gen X & Y workers).

Many employers in this situation have attracted talent by proudly declaring why smart & ambitious people should work for their organisation, rather than another. The companies that have lived up to their "employee value proposition" have often enjoyed high employee engagement. There is now evidence that this EVP is being segmented to target people with different interests and personal values, like the hitech-connected & environmentally savvy Gen Ys.

Nevertheless, there are still strategies that have universal appeal to employees of all generations. These strategies include:

- Knowing and developing the A-team (the best 20% of employees) but keeping them fully integrated with other "solid" employees – all [HR systems](#), processes & communications should be common
- Share information as widely as possible, minimise and standardise rules & procedures, and communicate change early and simply
- Minimise the isolation of employees – frequently follow up with beginners and keep regular contact with those who are geographically dispersed
- Provide all the training resources that people need to do their work well – ensure that new employee induction programs are thorough and delivered with enthusiasm
- Support all employees with career counselling and provide professional development courses
- Provide challenging work and opportunities to learn – where routine work can become tedious or boring, ensure that employees can frequently enjoy an entertaining time-out
- Recognise good work all the time; always show appreciation and never take people for granted – include performance-based pay wherever practicable

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