

STRATEGIC TALENT MANAGEMENT FORUM 2008

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The following slides were used by the
speaker at this event



Leaderonomics
The Science of Building Leaders

Talent Retention

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The Simple Equation

The Cost of Losing Talent =
Cost of Talent Acquisition + Cost of
Talent Development

Predictors: Why talent leaves

- Combination of the following
 - Lack of engagement and psychological ownership
 - Compensation and benefits
 - Supervisor - subordinate relations
 - Organizational culture
 - Corporate identity/prestige
 - Working conditions

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Exploring 3 Psychological Angles in Talent Retention

- Engagement
- Ownership

I. Engagement

Gallup Engagement Q

- 1. Do you know what is expected of you at work?
- Clarity
 - Expectations
 - Target
 - Standards
 - Goals
 - KPIs

- 2. Do you have the materials and equipment you need to do your work right?
- Enabling

- 3. At work, do you have the opportunity to do what you do best every day?
- Matching of gifts and talents to job scope

- 4. In the last seven days, have you received recognition or praise for doing good work?
- A culture of recognition

- 5. At work, do your opinions seem to count?
- Perceived influence

- 6. Does the mission/purpose of your company make you feel your job is important?
- Meaning
- Significance

- 7. Are your associates (fellow employees) committed to doing quality work?
- A culture of performance

- 8. Does your supervisor, or someone at work, seem to care about you as a person?
- 9. Do you have a best friend at work?
- A culture of fraternity
- Fellowship and social support

- 10. In the last six months, has someone at work talked to you about your progress?
- Meaningful validation
- Culture of straight talk

- 11. Is there someone at work who encourages your development?
- 12. In the last year, have you had opportunities at work to learn and grow?
- Meaningful and recognizable development

II. Ownership

Ownership

- **1. Financial Payoff:**
- financial benefit-as owners

- **2. Participation:**
- included on the decisions that affect their day-to-day work
- say over the issues that affect their working conditions.

Examples of Customization and Flexibility

- Sun Microsystems Inc.
 - employees to identify the type of physical setting that suits them best -- a private office, team room, satellite center or their home office.
- Microsoft Corp.
 - ask certain types of employees to design their own career paths. The company offers software engineers both a management-focused and technical-specialist career track and allows them to move back and forth between the two.

Working With Workers

Four methods companies are using to address the varied needs of their employees

■ SEGMENTATION

WHAT IT IS: Grouping employees based on shared characteristics such as performance, geography, learning style, role or any other germane factor, and developing policies tailored to each category.

ADVANTAGES: Control lies with a central group; executives can see exactly how talent is being managed.

DISADVANTAGES: Company must manage multiple programs and practices; some employees may not fit easily into any category.

Source: Susan Cantrell

■ MODULAR CHOICES

WHAT IT IS: Allowing employees to choose from a standard set of options on benefits ("cafeteria" plans), work arrangements and more.

ADVANTAGES: Company maintains control; viewed as fair, since everyone is offered the same options.

DISADVANTAGES: Managing multiple options may require an increase in HR resources; employees may feel choices are too limited.

■ FLEXIBLE POLICIES

WHAT IT IS: Providing greater discretion on HR policies, such as more latitude for managers on pay and for employees on work schedule.

ADVANTAGES: Based on a single, simple set of general guidelines; provides for better fit with employee than segmentation or modular choices.

DISADVANTAGES: Policies may be inappropriately interpreted or applied; lack of rigid standards means policies may lack transparency.

■ INDIVIDUALIZED MANAGEMENT PRACTICES

WHAT IT IS: Management methods that factor in and build on employees' individuality, such as an apprenticeship plan instead of traditional training.

ADVANTAGES: Cultivating the work force becomes a line responsibility; best fit with employee.

DISADVANTAGES: Less company control and transparency than with the other practices; requires greater evaluation effort than more standardized approaches.

- **3. Community :**
- feel a bond with their fellow owners
- feel that the whole company is “in this together.”

- **4. Fairness:**
- to be treated fairly by the company
- sensible rules and they do not want “special treatment” for specific individuals.

In closing

- Simple solutions that require discipline
 - Focus
 - Long term commitment

Questions and Comments