

# Engaging and Retaining Talent: The Latest Research and Real Results



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By: Tom Durgin

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## INTRODUCTION

There's intense global competition for quality talent in today's knowledge-based economy. Not only is talent in high demand now, the need is certain to grow as the baby-boom generation begins to retire in the very near future. It's not enough to attract and recruit top talent, although it's an obvious first step. An organization must make sure that its talent is fully engaged, and must ensure that its talent isn't lost to competitors. HR managers want to know, how best to accomplish the engage-and-retain mission? Specifically they want to know what works – what will produce real-world results? This paper will review some of the latest research on early engagement and discuss how to achieve positive retention in the talent sourcing challenge.

## NEW FORCES AT WORK

The idea of a “work force” is rapidly changing to that of a “talent force”, says Hank Stringer, CEO of Q Talent Partners, and the change is not merely one of name. For nearly 40 years, he explains, the abundance of available workers led to an “arrogance of supply” that allowed employees to be looked at as cost centers and essentially left the employer in control. Workers were sourced locally, mostly through manual means such as newspaper ads, much of the work done was done domestically and for domestic markets, and work was compartmentalized. Now, quality talent is scarce, in part due to the wave of retirements within the baby boom generation, low replacement birth rates for subsequent generations, and a burgeoning global economy. New talent must be sourced regionally, nationally, and even globally, often using the Internet and in a highly competitive atmosphere. This scramble for talent has led to fundamental changes, including increased shared employer-employee control over work and the realization that talent contributes directly to the bottom line – and a lack of talent puts companies at a competitive disadvantage.

### Talent Engagement and Retention Challenges

*“Everyone is available all the time, waiting for the next opportunity to come along and capture their attention.”*  
Rusty Rueff and Hank Stringer, [\*Talent Force: A New Manifesto for the Human Side of Business\*](#); Prentice Hall, January 2006

“Jobs are big business,” says [Rusty Rueff, CEO of SNOCAP, Inc.](#) There are always other jobs and other careers for available talent, is the message out there today Rueff believes. “The topic of talent has heated up. The overwhelming message is, ‘the job I’m in today may not be the job I should be in, maybe I should be looking for something else.’” It’s no surprise, then, that a shortage of quality candidates tops the list of challenges that HR departments face. A recent survey asked an audience of primarily HR professionals “What gives you the most ‘sourcing’ pain?” The responses were:

- Not enough quality candidates – 52%
- Lack of alignment and partnership with hiring managers – 20%
- Too many candidates to process – 11%
- Don’t know where to go, too many options, need to prioritize – 7%<sup>1</sup>

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<sup>1</sup> Based on the Human Capital Institute webcast Engaging and Retaining Talent: The Latest Research and Real Results, April 10, 2006. 71% of the respondents in the audience were HR professionals, 16% were consultants, 9% were line managers, and 3% were in non-HR leadership

*“Not enough quality candidates,” “lack of alignment,” and “don’t know where to go”* may combine to produce unintended but inevitable consequences. If HR professionals charged with recruiting don’t communicate with line managers, the managers’ talent needs may not be clearly understood, and recruitment efforts will be ineffective. The result could create an artificial shortage in some instances, and exacerbate the retention issue. An integrated recruitment effort, in partnership with line managers, can address this problem within the constraints of high demand for talent. Those who responded that they had “too many candidates to process” (11%) may not be better off. Their recruitment efforts may also be unfocused, which results in “casting too wide a net” and a pool of inappropriate candidates and hires. Stringer believes the alignment challenge is important to address. “One question that should be asked is, ‘how do we align our efforts with our business model?’ It might be good to go to your managers and ask, ‘who do we need to engage, what are the numbers?’”

## THE VIRTUAL LOBBY

Stringer mentions several considerations to begin to engage both applicants and employees. One is for organizations to realize their website is the “new corporate lobby.” Both Rueff and Stringer consider the Internet “the weapon of choice” when it comes to talent sourcing. Stringer notes that the careers section is the second-most visited page on most corporate web sites. “How much work and thought have you put into yours?” he asks. “Is it easily found on your home page?” One way to check that, he suggests, is for a company to look at how easy it is to find the career sections of their top competitors and make sure their own is more easily found.

Another consideration is to focus on the need for what he calls “QTalent” or quality talent. QTalent is:

- The quality talent, at all levels, required to run and move a business forward
- The key assets responsible for an organization’s success

“Understand that quality talent is important at all levels,” says Stringer. “Talent is an asset that requires investment rather than [looked at] as just cost.” A company’s success requires that it source, attract, hire, and then retain top talent. A key question that must be asked, says Stringer, is what percentage of a company’s employees should be quality talent? Should it be 10%? More than 20% or 30%? How does a company align its business strategy to ensure it retains the talent it needs in sufficient numbers?

### Get the Most from the Virtual Lobby

Visitors to the career section of a company’s website will fall into several different categories. These include the competition, vendors, professionals who work in the same business, and students reviewing business or doing research. All have different motivations for visiting the career section. Some individuals may want to know right then what kind of jobs the company needs; before they become an applicant they want to know what type of people it hires, and whether there is a role for them to play. These quiet visitors may boost the number of hits on a website but it’s not enough for a career section to simply attract large numbers of visitors, says Stringer. An important metric of success is the capture rate. Capture rates in this context are the number of visitors who actually post a resume. Stringer notes that most capture rates are extremely low, somewhere in the one or two percent range. Organizations usually focus their efforts on this small self-selecting number but Stringer says those who do miss a big opportunity. “Concentrate on converting the ‘quiet’ visitors” he advises. Employees from competitors, vendors, and the academic world are potential sources of quality talent. Top companies, says Stringer, use a variety of methods to boost their capture rate as high as 20%. “If yours isn’t up there it’s time to

take some steps,” Stringer warns. He suggests companies do an immediate audit of their career section that examines the following elements:

- Goals – *is the organization clear about the purpose of the career section?*
- Position – *is the section given high visibility and prominence?*
- Messages – *is the organization’s mission statement clearly articulated, its business clearly explained, its talent needs succinctly and accurately defined?*
- Ease of use – *is interaction and navigation easy?*
- Comparison – *has the site been critically evaluated with those of top competitors?*

A thorough audit will answer the questions posed above, allow effective remedial action, and ensure that real candidates and potential candidates will be captured.

### MAXIMIZE THE ATTRACTION MESSAGE

Both Rueff and Stringer say research shows that the Internet is rapidly outpacing more traditional methods of quality talent sourcing at all age levels in the talent pool. This is especially true of Generation Y, whom Rueff calls “screenagers.” When you think about it, says Rueff, nearly every bit of information they get and many of their transactions take place on-screen. Included are news, games, shopping, personal relationships, communication, etc. Rueff and Stringer believe that successful companies need to take advantage of this intimate connection with the Internet even beyond the virtual lobby. “We’re already starting to see a big shift underway in that over the past 18 months leading employers are widely acknowledging that online recruiting does not equal job boards, rather online recruiting equals utilizing a number of online recruiting strategies, tactics, and technologies to reach the right candidates,” writes Jason Goldberg, CEO of Jobster, in a July 10 blog on recruiting.com.

One way to maximize the message is through search engine optimization [SEO]. Stringer suggests that recruitment strategists experiment and learn how to use Ad Sense at Google to place ads using key words, and get the IT department involved to help. He also recommends an alliance with the Marketing Department in order to strengthen the branding message. Marketing departments will likely have the most experience in establishing a brand presence on Google, Yahoo, and others. “Marketing departments do it for products and services, why not corporate recruiting?” Stringer asks. He quotes Joel Cheeseman of HRSEO, a boutique SEO and marketing firm that specializes in solutions for HR and recruitment professionals. “Could an employer leverage the same optimization tactics in a vertical search for jobs and push their competition down the ladder of results? You bet they can, and I think savvy employers will do just that.”

### Cut through the Clutter

A focused message about the company’s mission and business model is the surest way to attract and engage quality talent. One way to ensure the message stays focused, says Rueff, is for the CEO to ask who’s in charge of the talent message inside the organization? Then rank the person in charge on a scale of one to ten, “with one being clueless and ten being this person has the potential to run the business. If an honest evaluation reveals a rank of five or less or even six or seven or less ask yourself, ‘do I have the right person?’” An effective recruitment strategist will “intimately know the goals of the company.” In addition, says Rueff, a sense of ownership in the company’s mission and a thorough understanding of the company’s business model are also critical to successful recruiting and retention.

The most important cut-through-the-clutter move, says Rueff, is to make sure that every constituency charged with recruitment strategy intimately understands the value of the effort and can successfully convey the company's message and position in all communication opportunities.

Rueff advises to "Recruit to the truth . . . make sure the message out there is the right one." To stay on target, says Rueff, the person in charge of talent attraction should work with marketing to deliver a coordinated message. Rueff believes a successful talent recruitment manager demonstrates a thorough understanding of the company's mission and goals, and the ability to position the company in a favorable light to prospective candidates. Clem Cheng, Human Resources Leader, Cigna Corporation, understands the need for favorable positioning. "What's been important to us has been repositioning where our strategic focus is and that's around the whole consumerism tidal wave." Cheng reports that the new focus on customer service has helped attract and retain new talent in the past 12 to 18 months. "It's no secret in the managed care space that companies such as Cigna, Aetna, and others were perceived as restricting health care, and probably people were less likely to be attracted to this traditional model." Rueff elaborates, "You have a person [sitting] there asking, 'am I going to uproot my life, make a move, change my career (in which he or she is likely fully engaged, as is the nature of quality talent) to start at a new company?' You're dealing with a person's dreams. You have to deliver a proposition that has real value." Engagement begins upstream with early attraction; retention relies on the truth of the message over time. "Have a value proposition that resonates, that's real, that means what you said," advises Derrick Barton, Co-Founder and Chief Talent Leader, Center for Talent Retention.

## KNOW WHAT YOU NEED

An integrated approach to talent sourcing and retention that takes advantage of the power of the Internet will be most effective if it is aligned with what an organization's top talent consider their own most critical needs. Barton has identified ten items that three out of five top performers consider critical:

- A manager that stands up and supports me
- A manager that I trust and respect
- A manager who gives me the "space" I need to do my work
- A network of people I can turn to if I need help
- New ideas are valued and supported
- I can make a positive impact
- My salary is competitive in the marketplace
- My goals and expectations are clear, I know what it takes to be successful here
- My work is very challenging
- My job capitalizes on my strengths and weaknesses<sup>2</sup>

Not surprisingly, new hires share a similar set of items they consider most critical to engage them to perform their best. Three out of four new hires identified their critical needs as:

- A network of people to turn to if help is needed
- A great team – people pull together

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<sup>2</sup> Source: Derrick Barton, Center for Talent Retention, based on a 2006 survey of 7000 employees who were asked to rate 50 variables

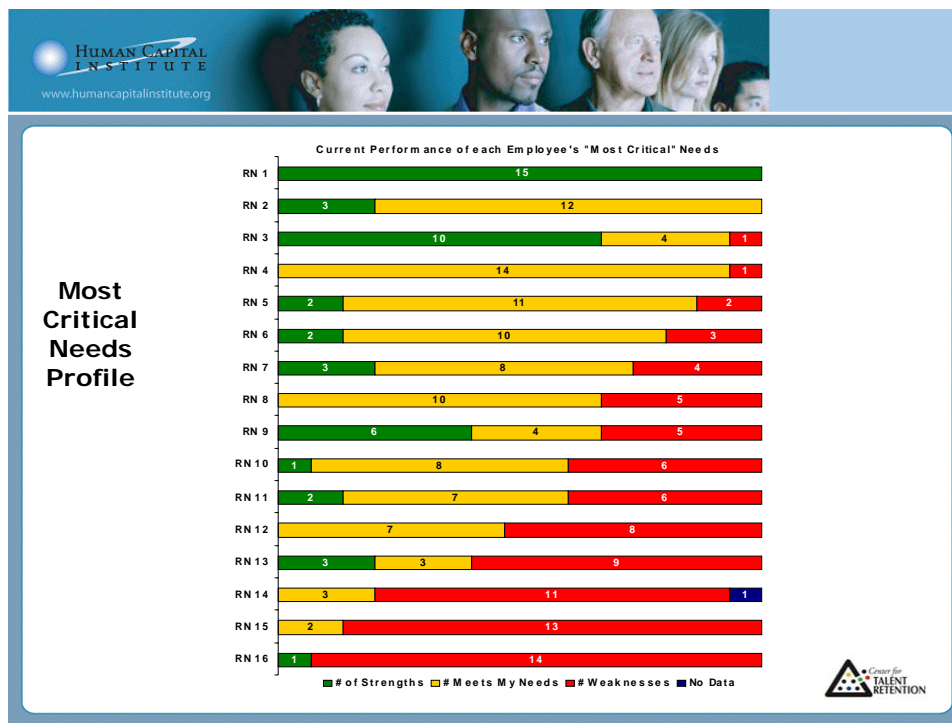
- Comfortable asking their manager questions and discussing important issues
- An atmosphere where new ideas are valued and supported
- Goals and performance expectations are clear – it is know what it takes to be successful
- A lot of coaching from the manager and other knowledgeable resources<sup>3</sup>

These two sets of critical needs can be summarized into four points, says Barton:

- What I want out of a job
- The relationship I desire with my manager
- The work situation I prefer
- The type of organization I want to be a part of<sup>4</sup>

Knowing what quality talent needs and expects will greatly increase the effectiveness of an organization's recruitment efforts and contribute to higher rates of engagement and retention in the long run. Barton provides a graphic view (Figure 1) based on a survey of 16 individuals in on health organization. They were asked to rank 15 variables in terms of critical needs they felt would engage and retain them and indicate if the needs were being met or not.

**Figure 1**



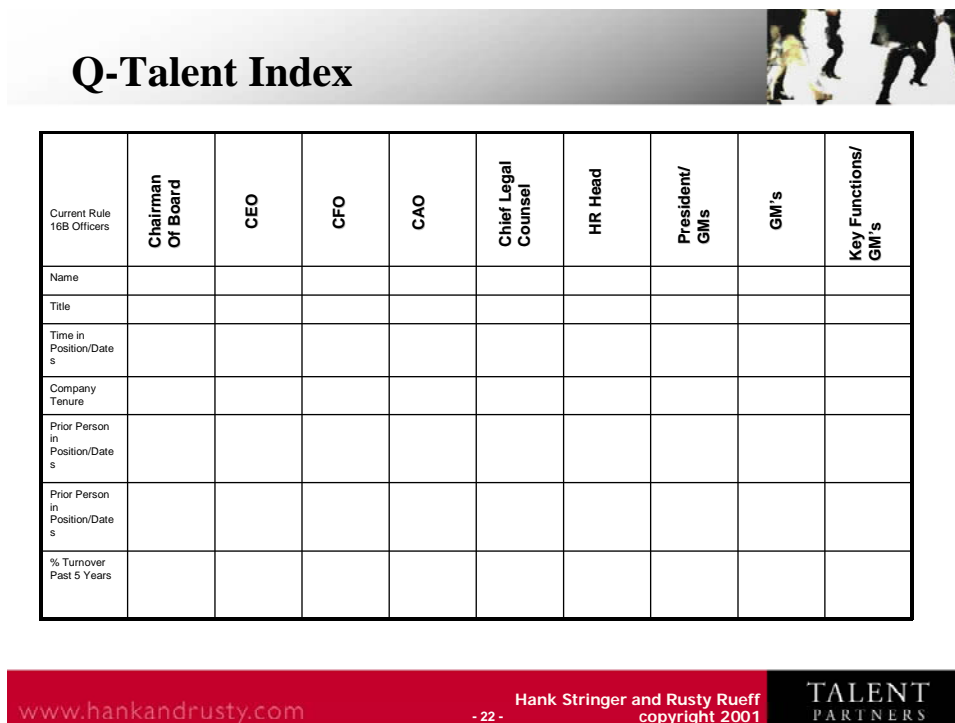
<sup>3</sup> ibid

<sup>4</sup> ibid

Green indicates the number of variables each employee felt was a strength that were being fully utilized, yellow indicates those strength variables that were at least being met or addressed, and red indicates those critical needs that were not being addressed and were therefore considered a weakness in the job.

Rueff suggests another key component to measure engagement and address the retention challenge is to determine the turnover rate for key talent in an organization. Such factors as time in a position, company tenure, prior persons in the position and length of stay can all be used to determine a turnover percentage rate for the past few years. A Q-Talent Index appears in Figure 2.

Figure 2



“Talent is the one thing (in an organization) that can actually appreciate over time,” says Rueff, so a high turnover rate will thwart this appreciation. Stringer suggests the index can be extended to include key talent below the GM level.

## CONCLUSION

A company’s search for quality talent will be successful, say Rueff and Stringer, if a few basic principles are kept in mind. First, understand that there are new forces at work:

- The days of an abundant, trained workforce are over for the foreseeable future
- Talent won’t necessarily be found locally; no matter where it’s found there will be competition for it
- Talent is a true asset and must be treated as such

Second, understand the challenges:

- The “overwhelming message” heard by all talent is that the job they’re in may not be the right one
- A shortage of talent coupled with a misaligned recruitment strategy will make recruitment efforts unproductive and costly

Third, the virtual lobby (the career section on a company’s website) is the most important window on a company’s culture and needs available to it, but many companies do not use it to full advantage.

- Most capture rates are in the 1 –2% range; the “quiet” visitors are not getting targeted
- The effectiveness of the site goes un-audited and thus corrective action can’t be taken

Fourth, a clear, uncluttered message will be the most effective.

- “Recruit to the truth” – make sure your message accurately reflects company culture, what you need in the way of talent, what a prospective employee can expect from the company
- Make sure everyone on the recruitment team “intimately understands the value of the effort and can successfully convey the company’s message and position”

Finally, maximize your engage and retain message by understanding what potential talent, top performers already on-board, and successful new employees expect for success:

1. That your organization is one they want to be a part of, because it allows them to do the work they want to do and be competitively rewarded for doing
2. They receive support from their managers as part of a mutually respectful relationship
3. Goals and expectations on the path to success are clearly articulated

*Based on the Human Capital Institute webcast Engaging and Retaining Talent: The Latest Research and Real Results, April 10, 2006*

## ABOUT THE PRESENTERS AND EXPERT ADVISORY PANELISTS

### PRESENTERS

RUSTY RUEFF  
CHIEF EXECUTIVE OFFICE  
SNOCAP, INC.

Rusty Rueff, Chief Executive Officer, SNOCAP, Inc., co-author (with Hank Stringer) of “Talent Force: A New Manifesto for the Human Side of Business” Mr.Rueff joined SNOCAP as their CEO in 2005. SNOCAP is the world’s first end-to-end solution for digital licensing and copyright management services, enabling record labels and individual artists to make the full depth of their catalogs available through authorized peer-to-peer networks and online retailers. Prior to his position at SNOCAP, he was Executive Vice President of Human Resources for Electronic Arts (EA). Joining EA in 1998, he was responsible for global human resources, talent management,

corporate services and facilities, corporate communications, and government affairs, reporting to EA's Chairman and CEO. EA is the world's largest, and leading, interactive entertainment software company, with revenues of over \$3.5 billion and 6,500 employees. In 2003, Fortune named EA one of the "Top 100 Places to Work For" in the United States. Prior to joining EA, Rueff held positions with the PepsiCo companies for over 10 years. He concluded his career with PepsiCo as Vice President, International Human Resources. Prior to his tenure with PepsiCo, Rueff spent two years with the Pratt & Whitney Division of United Technologies. In addition, he spent six years in commercial radio as an on-air personality. He holds an M.S. degree in Counseling and a B.A. degree in Radio and Television from Purdue University. He currently serves on the Corporate Boards of SNOCAP, All Covered, and Sports Potential. He is on the Executive Committee of the Board of Trustees of San Francisco-based American Conservatory Theater (ACT).

**HANK STRINGER**  
**CHIEF EXECUTIVE OFFICER**  
**Q TALENT PARTNERS**

Hank Stringer, Chief Executive Officer, Q Talent Partners, co-author (with Rusty Rueff) of "Talent Force: A New Manifesto for the Human Side of Business". Mr. Stringer has over two decades of experience as a successful high-tech industry recruiter, entrepreneur, and innovator in the use of information technology in the recruitment and employment process. Today, Stringer is CEO of Q Talent Partners, an executive search services and consulting firm based on the philosophies and best practices of this book. Forecasting a talent shortage in 1996, Stringer applied his energy and experiences to start Hire.com. There, he and a team of entrepreneurs created an early ASP business model, utilizing the Internet to scale and automate interactive recruiting relationships and processes. Under his tenure, Hire.com dramatically changed the way companies recruit, hire, and retain talent. Today, global companies, such as Federal Express, BP, Allianz, Raytheon, and Prudential, have adopted Hire.com's revolutionary approach. Prior to founding Hire.com, Stringer was president and co-founder of Pedley-Stringer, Inc., a high-tech recruitment firm. Stringer previously served as an internal recruiting consultant for Tandem Computers and Dell Computer, where he was responsible for a number of special recruiting projects in the U.S. and Asia. Stringer has authored many articles about recruitment and the future of talent management in the workplace, and is an accomplished speaker who has appeared at numerous international industry-leading events. Stringer holds a B.A. in Journalism and Government Studies from Texas State University and currently serves as President of the Advisory Board for the McCoy School of Business at his alma mater.

**PANELISTS**

**DEBORAH WIJNBERG**  
**GLOBAL HR LEADER**  
**BECTON DICKINSON**

Deb Wijnberg, Global HR Leader - Talent Management with BD (Becton Dickinson and Company), a \$5 Billion medical technology and device company, has worked in the field of strategic Human Resources Management for 23 years. Having had the opportunity to work in the industries of Financial Services (Mellon Bank), Consumer Packaged Goods (The Coca-Cola Company and The Quaker Oats Company) and now Medical Technology, Deb has specialized in such areas as: Human Resources, Leadership, Talent Management, Organizational Effectiveness, Change Leadership and Strategic Talent Acquisition.

**LARRY MOHL**  
**VP AND CLO**

## CHILDREN'S HEALTHCARE OF ATLANTA

Larry Mohl is the Vice President and Chief Learning Officer for Children's Healthcare of Atlanta, one of the nation's top pediatric healthcare systems and recently distinguished as one of Fortune Magazine's Top 100 Companies to work for in America. As part of the Human Resources team, Mr. Mohl is responsible for leadership development and organization effectiveness, clinical staff development, physician continuing education, and technology training. Over the past year, Mr. Mohl has created the Center for Leadership which is a multi-dimensional acceleration process aimed at ensuring a steady supply of leadership talent to meet the growing demands of the system. Mr. Mohl and his team have championed a learning culture, which has recently been honored by Training Magazine as a top 100 learning organization for the fifth consecutive year.

## CLEM CHENG

### HUMAN RESOURCES LEADER

### CIGNA CORPORATION

Clem is an HR leader focused on strategic HR consultation and talent management for CIGNA's financial organization. Prior to his current role, Clem headed up Staffing and Retention at CIGNA with a team that hired over 6,000 people per year. His responsibilities included workforce retention, employee engagement and HR measurement initiatives. Clem's HR career has focused on helping businesses perform at high levels by linking human capital opportunities with business needs. Clem has also held various operations management positions during his career. He graduated with a B.S. from the College of William & Mary and also holds an M.B.A. from the University of Delaware.

## DERRICK BARTON

### CO-FOUNDER AND CHIEF TALENT LEADER

### CENTER FOR TALENT RETENTION

Derrick is cofounder and Chief Talent Leader with the Center for Talent Retention, an organization dedicated to helping companies engage, develop and retain their talent to drive better business results. As the leading expert on "taking action" to increase employee engagement and reduce turnover, CTR hands-on tools and talent solutions have impacted human capital results in some of the best organizations and Fortune 500 companies such as Dell, CIGNA, Medtronic, NASA, and Saint Luke's Episcopal Health System.

## MODERATOR

## JOY KOSTA

### DIRECTOR OF TALENT DEVELOPMENT AND LEADERSHIP COMMUNITIES

### THE HUMAN CAPITAL INSTITUTE

Joy brings twenty-five years of experience in multiple facets of organizational development, human resources and business management with an emphasis in customer satisfaction, service quality, process improvement, and applying the Malcolm Baldrige Criteria for Performance Excellence. As founder and President of Performance Partners in Health Care, a company dedicated to building better patient experiences, she has authored several curriculums in leadership and staff development, and co-authored with Harold Bursztajn, MD Senior Clinical Faculty member, Harvard Medical School, Building a Treatment Alliance with Patients and Families

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## ABOUT THE HUMAN CAPITAL INSTITUTE



The Human Capital Institute is a catalyst for innovative new thinking in talent acquisition, development and deployment. Through research and collaboration, our programs collect original, creative ideas from a field of top executives and the brightest thought leaders in strategic HR and talent management. Those ideas are then transformed into measurable, real-world strategies that help our members attract and retain the best talent, build a diverse, inclusive workplace, and leverage individual and team performance throughout the enterprise.

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## ABOUT CENTER FOR TALENT RETENTION

Dedicated to building an organization's capabilities to deliver human capital results, the Center for Talent Retention (<http://www.keepppeople.com/>) is the leading expert on "taking action" to increase employee engagement and reduce turnover. We offer an integrated system of talent solutions guaranteed to equip your organization, managers, HR professionals, and work groups to make a real impact on talent results.

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