



Attracting and Retaining Top Talent

March 30, 2022

As we head into 2022, talent attraction and retention remain key concerns for many CAHRS partner companies. More specifically, many are concerned about their ability to attract and retain top talent (e.g., high performers, critical roles, or those with scarce skills). In this working group, Professor John Hausknecht led a discussion aimed at exploring some of the current challenges and opportunities associated with acquiring and retaining top talent.

DISCUSSION TAKEAWAYS

1. Successful talent attraction and retention requires a concerted effort to coordinate within and across functional areas of HR and the business.
2. Common reasons for leaving included competitive compensation, flexible work arrangements, career development, and aligning with the mission and purpose of the organization.
3. Possible interventions included: providing competitive compensation according to the targeted labor market, offering flexible work arrangements, promoting internal mobility, communicating the mission of your organization, collecting data to understand employees' needs, and being willing to rethink old norms/policies when trying to retain talent.

Attracting and Retaining Talent Through Coordination and Alignment

Talent attraction starts with clearly identifying the most critical skills for the business. One CAHRS company shared that when hiring key roles, they first align the skillset needed for an open position with the organizational strategy. Next they cooperate with their compensation team and other functions to figure out the right package for the position before starting the hiring process.

Another CAHRS company reminded the group of the importance of well-written job descriptions. To attract the most suitable candidates, companies must be proactive when marketing open positions. Tailoring the job description shows that the company is well aware of the experience, skill, and responsibility required for the position. This also means that companies should know the ideal candidate prior to posting. When reading a carefully crafted job description, candidates are more likely to see themselves as a fit for the role, especially when the job description goes beyond a wish list of company's desired capabilities and highlights what's in it for the candidates. This candidate-centered job description potentially results in a greater match and decreases lower quality applications.

The importance of the job description was echoed by fellow CAHRS companies. Several companies recommended "textio.com" to edit the language in recruiting messages. The service is said to cut biased language, business jargon, and instead suggest language that appeals to candidates.

16
participants
from
13
CAHRS Companies:

Accenture
American Express
Bloomberg
Bristol Myers Squibb
CNH Industrial
Cornell
Corning
Dell
General Electric
IBM
Medtronic
Raven + CNHI
Terex

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Another best practice is to share first-hand talent market information with colleagues in the talent acquisition function. Last but not least, although a carefully crafted job description is inherently customized for a position, the template and the operational processes can be scaled to other hiring activities.

Retaining Talent

Why do people leave?

Before taking actions, it's important to understand why people leave. Given rapid changes in the economy and labor market, it's especially important to stay on top of reasons for leaving. One CAHRS company located in the Midwest reported that they have been losing talent to companies on both east and west coasts who are offering remote work and much higher salaries. Another participant echoed that regardless of what people might say during an exit interview, if the jump in compensation is say 40%, people are leaving for the money; if the differential is relatively small, people are likely leaving for other reasons.

What do people need to stay? What are possible Interventions?

Compensation no doubt plays a significant role in decisions to stay or leave. As the pandemic shifts employers' attitudes towards remote and flexible work, many CAHRS companies realize they are no longer competing for talent solely in the local labor market. The traditional ways of setting compensation—tying salaries to geographic regions and benchmarking against local competitors—seems to need rethinking. Companies should consider benchmarking their pay on the national labor market for occupations such as engineers and other key roles. This also means that companies should be willing to break pre-set caps on salaries to retain top performers and keep people with skills that are difficult to find externally.

Flexible work arrangements was another key theme among departing employees. Companies have different policies in terms of the extent to which people have flexibility in their work arrangements, but should be willing to negotiate a plan to accommodate employees' desires. For some positions where little flexibility is allowed, such as front-line manufacturing workers, companies can show support in other ways. It could be better incentives, better benefits, or other creative interventions.

Employees also desire career development. One way to do that is providing training and development programs. However, one challenge met by a CAHRS company was that employees working in the field preferred in-person training much more than online training. Another important vehicle for career development is internal mobility. Posting jobs on the internal hiring board and encouraging careers within the firm are viable solutions (while removing bureaucracy and making it easy for employees to find and accept new positions). One CAHRS company institutionalizes a culture of internal mobility among its engineers. Employees can switch to other teams with minimum barriers. Although there may be short-term performance interruptions, the company reaps the benefit of putting an employee on the right team and retaining the employee in the long run.

Last, participants mentioned how employees are seeking jobs and companies that have mission and purpose that aligns with their personal values. As employees attach greater meaning to their job, they begin to devote themselves to that mission and identify with the company through

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which they can fulfill that mission. So, clearly and consistently communicating the mission of your company to employees and potential candidates is crucial. It is especially important for companies not familiar to most people.

Other Interventions

Beyond the interventions discussed in the previous section, other retention practices that were being adopted by CAHRS companies include:

- Making regular efforts to talk to employees and understand their needs. HR professionals can create surveys and use the data to set the stage for further conversation and decision-making.
- Another company stressed the need to move beyond the rather rigid regulations in place (especially in large organizations) and be creative when trying to offer promotions/raises to retain top performers.
- Also, building a strong “alumni network” can be very helpful given that many ex-employees may want to come back.
- LinkedIn Talent Insights has up-to-date data on candidates, jobs, your organization, your competitors, and the market. This has been a helpful tool for talent acquisition.

This Summary Report was prepared by John Hausknecht and Chang Cheng for participants of the "Attracting and Retaining Top Talent" Virtual Working Group.

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