WINNING THE TALENT WARS

BUILD A WINNING CULTURE
OF ATTRACTION, HIGH-PERFORMANCE & RETENTION

RAINMAKER**THINKING**®

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RAINMAKERTHINKING®

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INTRODUCTION

The number one issue troubling business leaders today is the increasing difficulty of recruiting, motivating, and retaining the best talent. There is a talent shortage at every level, in every industry. The talent wars are back on and more heated than ever.

We at RainmakerThinking have been tracking this trend since the mid-1990s, basing our work on hundreds of thousands of interviews, survey responses, and consulting sessions with business leaders, managers, and rank-and-file employees from hundreds of companies. Hiring managers report – at every level, in every industry, in organizations small, mid-sized, and large-scale alike – that **hiring, managing, and retaining top talent is more difficult today than at any time in recent memory.** The problem is especially acute in STEM and other fields which require technical training and certification; among the emerging young workforce; and in more remote geographical areas.

Make no mistake, the talent wars are affecting organizations of every shape and size:
* Average durations of employment are decreasing
* Voluntary unplanned turnover rates are increasing
* Departure demand (those employed but seeking other employment) is increasing
* Open-position rates and time-to-hire rates are increasing
* Early voluntary departure of new hires is increasing

THE TALENT WARS ARE NOT GOING AWAY

SUPPLY & DEMAND

The rising demand for qualified workers promises to outpace supply in nearly every field for the foreseeable future. For jobs that require technical training and certification, whether through a professional degree or apprenticeship to a skilled tradesperson, the pipeline is not keeping up with market needs. For those service jobs that do not require training and certification, there are shortages of candidates with the soft skills necessary for optimum performance.

Unemployment rates have plummeted since 2010, and over the past five years wages have been on the rise. Together, these two metrics illustrate just how much the talent wars are heating up in 2018: as employees gain more employment options, they also gain more leverage with employers, putting them into bidding wars to compete for the best available talent.

Chart 1. Unemployment rate, March 2010 - March 2018
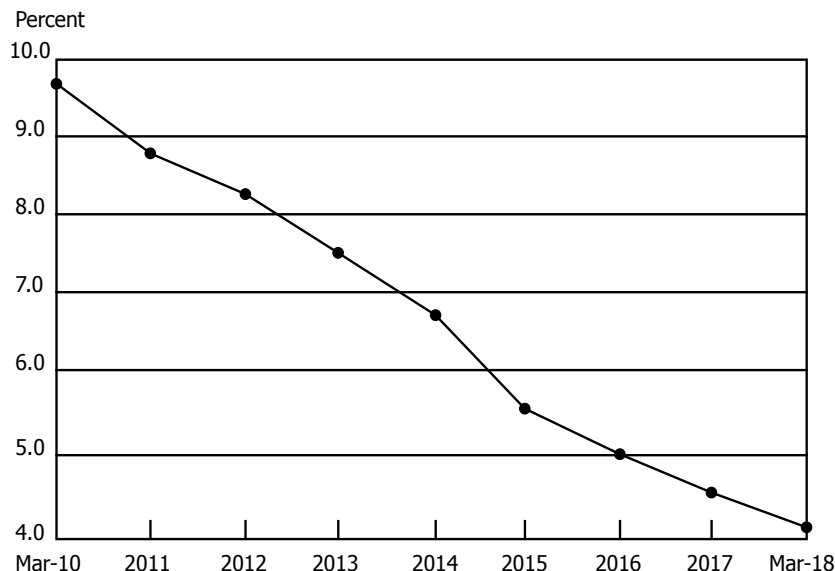
Source: National Employment Monthly Update, National Conference of State Legislatures
Bureau of Labor Statistics, United States Department of Labor

Chart 2. Average weekly earnings of all employees in private nonfarm payrolls, seasonally adjusted

■ Average weekly wages of all employees (USD)
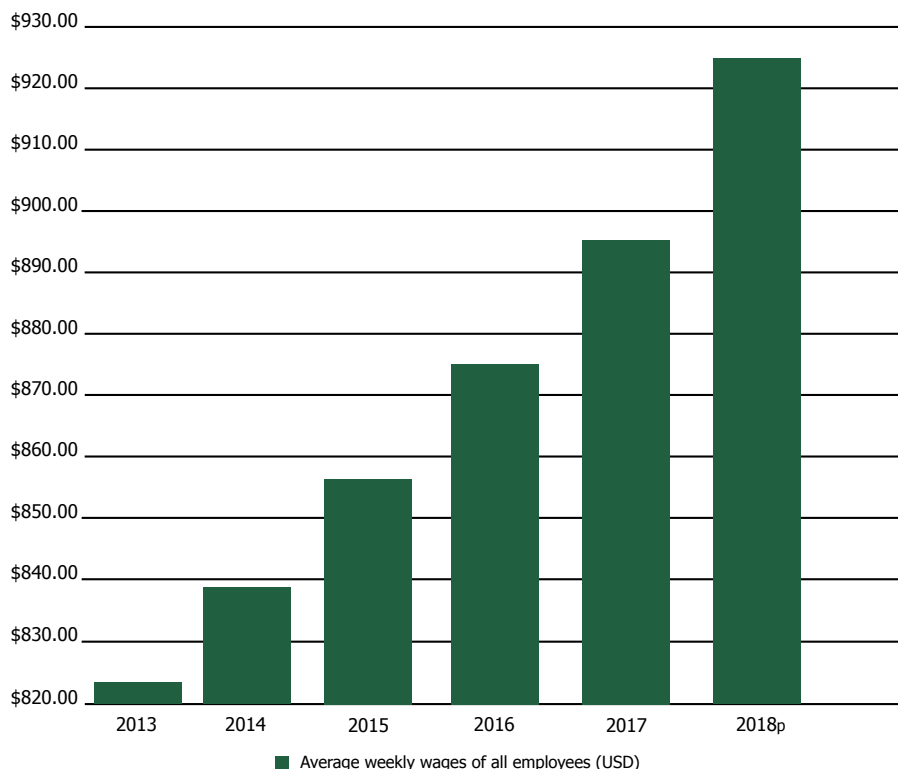
p: Preliminary
NOTE: Data have been adjusted to reflect March 2017, 2016, 2015, 2014, 2013 benchmark levels and updated seasonal adjustment factors.

Source: The Employment Situation - 2018, 2017, 2016, 2015, 2014
Bureau of Labor Statistics, United States Department of Labor

DEMOGRAPHICS

By 2020, individuals born in 1990 and later will comprise greater than 28% of the North American workforce, with similar figures for Western Europe and Japan and even higher percentages in parts of South America, Africa, and Asia. On the other end of the age spectrum, organizations with significant "age bubbles" in their workforce will feel the greatest effects as the oldest, most experienced employees retire. Those retirees take with them the skill, knowledge, wisdom, institutional memory, and relationships developed during their tenures. Organizations with a large contingent of young workers will face the challenges of an increasingly transactional free-agent workforce. The most valuable young employees will not hesitate to request greater flexibility in their working arrangements, and they expect to be rewarded appropriately for the exemplary work they do.

SHIFTING MINDSET

High-talent young employees are not the only ones who have become more demanding. Today, employees of all ages are much less likely to buy into or be motivated by promises of long-term rewards. After years of increasingly fast-paced change and uncertainty, employers can no longer guarantee long-term rewards for their employees. Most employees try to get what they can from their employers one day at a time. People are embracing the transactional free-agent mindset because they have no other choice. But this also means that employees have more negotiating power: if employees no longer expect to pay their dues for years on end, then employers have to do more to retain them in the short term. The transactional free-agent mindset can appear high-maintenance, but it is actually the result of increased power to ask for more. The most valuable employees are the ones who will reap the most benefits in terms of flexible working arrangements and other rewards. This leaves business leaders asking how they can possibly square their business needs with widespread expectations for greater flexibility in work conditions and career paths.

Today, employees of all ages are much less likely to buy into or be motivated by promises of long-term rewards.

AVOID THE COSTS OF UNPLANNED DEPARTURES

Business leaders are desperate to reduce the turnover rate among employees. They know that high turnover is extremely costly.

THE FIVE COSTS OF UNPLANNED TURNOVER

1

Replacement costs
When you lose an employee, you will incur the costs of recruiting, on-boarding, and up-to-speed training for a replacement.

2

Lost ROI on talent development
You will lose (often to your competitor) the recruiting, on-boarding, and up-to-speed training investment you have made in the departing employee. The more experience, the greater these costs.

3

Disruption in work flow and relationships
There is usually an increased work burden on remaining employees. When a good employee leaves suddenly or not on good terms, the disruptions and increased work burdens are greater.

4

Diminished morale and copycat departures
When good employees leave, sometimes this triggers other unplanned departures. The instability caused by turnover also decreases team morale.

5

Loss of bench strength
The greater your turnover among good employees, the less robust your bench strength of potential home-grown talent for other positions throughout the organization and up the ranks.

Turnover is costly. But not all turnover is bad. With some employees, you should worry that they might leave. Other employees, you should worry they might stay! That is why business leaders facing high turnover need to consider three questions: "Who is staying?," "Who is going?," and "Who is deciding?"

BUILD A WINNING CULTURE

The challenges are clear.

The question this white paper seeks to answer is, "What can you do about it?" There are two options: enter a bidding war for talent or build a winning culture. Our research shows that bidding wars don't work. At the highest level, the goal must be to build a winning culture.

Corporate cultures are either cultures "by design" or cultures "by default." Winning cultures are intentionally built, with a clear and compelling mission, reliable communication alignment, strong and supportive leadership, collaborative high-performance teams, real accountability, flexibility, and recognition for high performers.

If you want to win the talent wars, you need to build a winning culture.

These are the five steps to get you there:

1. Design Dream Jobs for Superstars

2. Be Very, Very Selective

3. Get New Employees On Board Quickly

4. Turn Every Employee into a Knowledge Worker

5. Make Retention Everyone's Priority

DESIGN DREAM JOBS FOR SUPERSTARS

ATTRACT THE VERY BEST TALENT

Today's talent wars are different from those of the past. Managers today are savvy enough to know that hiring one very good person is better than hiring three or four mediocre people. So how do you attract that one very good person? There are eight factors that people are especially looking for when choosing a job, or choosing whether to stay in a job.

The 8 Dream Job Factors

1 Performance-based compensation

Baseline pay and benefits that are comparable to your competition, but also having clearly defined opportunities to earn more based on extra-mile effort and extra-mile results.

2 Supportive leadership

An immediate manager or supervisor who provides regular support, guidance, and direction. A manager who practices the fundamentals of highly-engaged management on an ongoing basis.

3 Role and responsibilities

The actual work - but included in this part of the deal must be opportunities for an employee to prove their worth. Paths to grow and advance one's career must be available.

4 Location and workspace

More than just the ability to work near where one lives, this could also include an overall comfortable workspace, or the ability to have control over that space.

5 Scheduling flexibility

The ability to set one's own schedule. Most often in the form of occasional scheduling accommodations to help employees respond to real-life scheduling needs.

6 Training and development

Formal and informal opportunities to build new, relevant knowledge and skills.

7 Relationships at work

The chance to build productive and mutually supportive working relationships with colleagues, leaders, managers, clients, customers, and vendors. Providing access to decision makers is also a priority.

8 Autonomy and creative freedom

Clear requirements and defined parameters for each project that establish boundaries, within which employees can navigate with independence and creativity. This allows employees to flex their creativity confidently without going off track or overstepping their role.

2

BE VERY, VERY SELECTIVE

THE KEY TO SUCCESSFUL HIRING

The biggest mistake hiring managers make is continuing the "attraction campaign" until the candidate has accepted the job, and sometimes until the new employee is already at work. We call this "selling candidates all the way in the door." Why is this a problem? Because in an effort to sell, sell, sell their job to a candidate, sometimes companies make promises they cannot keep – or sell the job to the wrong candidate without having the chance to realize it.

The result of selling candidates all the way in the door is often that many new employees experience a form of buyer's remorse: "This job is not what they sold me!" They may be disappointed and unhappy and yet remain in the job, sometimes for months on end. This is the number one cause of early voluntary departures for newly hired employees.

In a tight labor market, competition among employers results in a lot of hard selling to job candidates, even if those candidates are not ideal for the job. In fact, some employers are so starved for talent that they cannot bear to turn potential employees away, even in the face of huge red flags telling them, "Don't hire this person!" The first rule of selection is: **It is better to leave a position unfilled than to fill it with the wrong person.** When job candidates display failings in the job selection process that would make them bad employees, these are red flags. Pay attention to red flags!

There are several ways to make your selection process fast and rigorous:

Step one: Scare Them Away

There is a simple way to differentiate between candidates who are serious about the job, and those who only think they are serious. After you have successfully sold them on the job, then try to scare them away. Tell your candidates about the downsides of the job, in clear and honest terms. (This might mean you have to figure out what those downsides are for yourself, first!) If the job starts at 4:00 am, make that clear. If it is dirty or uncomfortable, make that clear. If heavy lifting is required, explain that employees will have to carry a lot of heavy items. If you are hiring for entry-level data entry, explain that the position requires repetitive document handling. And so on.

Step two: Testing

Once you have scared some candidates away, then the ones who remain are worth testing. We recommend testing serious job applicants for two reasons: 1) to further verify their seriousness, and 2) to get an understanding of their aptitude for any key

skills a job requires. Some employers believe strongly in personality tests and general aptitude tests. If you use these tests, make sure someone on your recruiting team knows how to properly interpret them. Sometimes a trusted outside expert is your best bet.

Whatever testing method you use, try to find the one that measures a candidate's abilities simply and efficiently. Get to the heart of what that job candidate is going to be required to do on an ongoing basis. If you are hiring people to do data entry, ask them to enter some data in the required management software. If you are hiring people to stack boxes, ask them to stack some boxes in whatever way is required on the job. This doesn't mean that applicants have to know everything about how to do the job before they are hired. Simply asking several applicants to complete the same job-related test will give you a good idea of where they stand in relation to each other. That goes a long way in narrowing it down to the real top candidates.

> The biggest mistake hiring managers make is continuing the "attraction campaign" until the candidate has accepted the job.

Another approach is to ask applicants to submit a proposal outlining exactly how they intend to add value in the organization. Give them no further guidance if you want to test their resourcefulness and their creativity and ability to operate in a sink-or-swim environment. On the other hand, if you want to see how well applicants are able to follow detailed instructions, you might give them this same assignment, but with detailed guidelines for how to complete the proposal.

Whatever test you settle on, just make sure you can implement and evaluate it with relative speed. And make sure you know in advance exactly what you are looking for and why.

Step three: The Behavioral Job Interview

Behavioral interviewing is a concept that can sound intimidating to hiring managers. How much can you really understand about a person's behaviors or personality in the limited time of an interview? Conducting an effective behavioral interview simply means asking applicants to tell you a story, and then listening to their story and seeing what it tells you about them. Rather than trying to get to know their personality to see how you "feel" about them, ask questions that will give you relevant information you can use. For example, if your job needs a candidate who can independently mediate conflict, you might ask, "Tell me a story about a time you solved a problem with someone at work", or, "Tell me a story about a conflict you had with another employee at work. How did you solve it?" Listen to their story, and reflect on what it tells you about that person. Using the previous example, if a candidate's story started with them going immediately to HR, they might not be a great fit. If their story starts with them exploding in anger or rage, they are definitely not a good fit. If the candidate's story highlights how they solved an interpersonal problem with communication and teamwork, then you might want to consider hiring that person.

Step four: The Realistic Job Preview

One mistake many organizations make is that although they provide prospective employees with job previews, they are not realistic previews. There are many ways to provide accurate job previews. Here are some examples:

- **A probationary hiring period.** This can be a few days or weeks in which you can try out the employee and the employee can try out the job.

- **A realistic internship.** Make sure to assign them real tasks that mirror the responsibilities and projects they will be asked to do if they accept the job. Include the grunt work.

- **A "job-shadow" or "tag along" with another person in your organization.** By tagging along for several days, a week, or more, your applicant will get a good picture of what the job truly entails. You will also get the added bonus of having the existing employee who is shadowed spend time with the applicant while on the job. Their casual feedback is invaluable and will tell you a lot: "Hey, I hope we are going to hire this person!" or, "Hey, we are not going to hire this person, are we?" If applicants cannot job-shadow, perhaps you can give them an opportunity to watch people doing the actual job. Sometimes on factory floors or in restaurant kitchens, the best thing you can do is let a prospective employee watch people work on the line for a while. If that is not possible, produce a video of people in your organization performing the key tasks and responsibilities of the job, and provide an opportunity for the candidate to review the video.

- **Create a document that is more realistic than a standard recruiting brochure.** Instead of trying to sell the job, explain exactly how a person with this job will spend their day moment by moment.

Sometimes the best thing you can do to create a realistic job preview is have current employees talk with applicants about the job, in clear and honest terms. This gives the applicant the opportunity to ask questions as well. Listen to what they ask! Their primary concerns might prove to be revealing.

Step five: Close the Deal Fast and Stay in Touch

As important as it is to be very selective in your hiring, you also must do it fast. If you move too slowly, you will lose a lot of great hiring prospects. Implementing a realistic job preview before hiring is a critical step, but be careful not to let that process get too drawn out or you will risk making the prospective hires feel like they are being strung along. Once you do hire them, if there is lag between hiring them and their actual start date with your company, it is important to keep them engaged and excited and to set them up for a solid beginning. Here are some things you can do:

- **Maintain a high level of communication during the intervening time.** Stay in touch by scheduling a series of interesting, engaging, useful communications – not just from human resources or some other anonymous corporate office, but rather from the hiring manager and the team the employee will be working with.

- **Consider having key people on the team send emails introducing themselves** and explaining where they fit on the team and what, if any, working relationship they are likely to share.

- **Send actual assignments for them to complete and return.** These should not be pro forma assignments, but assignments that will help new employees jump-start the orientation process when they arrive. Are there any ongoing matters in which you could include them? Could you include them in team memos? Could you invite them (but not require them) to attend team meetings? What forms will they have to fill out when they arrive? Are there personnel lists you can provide? Is there a resource, online or otherwise, so they can start to familiarize themselves with key people up the chain of command and key people on their team?
- **Send them plenty of background material on the company,** and also include branded mugs, pens, apparel, and other paraphernalia that will help a new employee show off their new job to their friends and acquaintances.

All of these communication options help your new employees feel that they are actively transitioning to the work, being accepted by their new workplace and being integrated into the team. It can also give them a realistic job preview. Whatever you do, avoid radio silence during the intervening time between the offer, acceptance, and day one. Meanwhile, never forget that day one is going to be the most important day for this new employee, so prepare for it as if the success of the hire depends on it – because it might.

3

GET NEW EMPLOYEES ON BOARD QUICKLY

TURN ORIENTATION INTO BOOT CAMP

Getting employees up to speed without a plan can be hit or miss. This may have been acceptable in the workplace of the past, but not anymore.

New employees want to hit the ground running on day one, but they do not want to be thrust into a sink-or-swim situation. They want to have lots of support and guidance available every step of the way. It may be exhausting for managers, but if you fail to plug into their excitement and enthusiasm on their way in the door, you are in serious danger of turning a good hire bad.

New employees almost always walk in the door with a spark of excitement. The question is: Do you pour water on that spark, or do you pour gasoline? If you want to ignite the spark, focus on them from the moment they walk in the door.

When it comes to managing new hires, there is a simple rule: **day one is the most important day, and month one is the most important month.** Consider, for example, the greetings the U.S. Marine Corps offers to brand-new recruits. The Marines have a well-known onboarding program: boot camp. For thirteen weeks, the recruits undergo intensive training, acquiring the skills and sense of shared mission that they need to do a superior job. The Marine Corps does not pay much, and the job is hard and dangerous. Yet they are able to build forty thousand new Marines every year with a washout rate that is so low it can hardly be measured. Learn a lesson from them. When you are thinking about shaping your orientation process, think about how you can emulate the boot camp approach.

You do not need obstacle courses and firing ranges. What matters is replicating the intensity, the connection to mission, the feeling of shared experience and belonging to a group, the steady learning, and the constant challenge. It means taking new employees seriously on day one and every other day after that.

The mistake employers often make is investing time, energy, and money in a highly engaging orientation program for new employees and immediately afterward depositing them into a demoralizing, no-support workplace. Following the intensity of the orientation program, new employees end up being greeted in the real workplace by coworkers and managers who fail to provide the guidance, direction, and structure that facilitate success. No matter how long and intense (or how short and mundane) your orientation process is, **you cannot ever leave new employees alone to sink or swim.** The longer you sustain intensity and support from day one, the more value you will get out of your new employees.

4

TURN EVERY EMPLOYEE INTO A KNOWLEDGE WORKER

REINVENT KNOWLEDGE WORK

Managers often divide their employees – either explicitly or implicitly – into two categories: those who are knowledge workers, or "idea people," and those who are not. Employees with higher levels of education and responsibility are often accorded the status of knowledge workers, while those with lower levels of education and responsibility are not. This is a big mistake and, unfortunately, a very common one. Today, everybody in a successful organization must be a knowledge worker.

Here is the missing link: **Knowledge work is not about what one does. Knowledge work is about how one does something.** If an employee leverages information, technique, and ideas in their job, then they are a knowledge worker. If they do not leverage skill and knowledge in their work to do a better job, they are going to be far less useful.

Most employees understand this on a gut level, and they also understand how a knowledge-worker approach makes them more valuable. The real challenge for managers is to keep employees focused on the work they are required to do, while at the same time encouraging an environment of learning and improvement. Managers have to be equipped to help employees channel their learning directly into their jobs. No matter what their job, the first step is to get employees thinking about how they can do that job better. Then, provide opportunities for them to test new strategies or leverage new skills in a low-stakes environment.

One effective way of doing this is to require employees to make an individualized learning plan. Have employees break down their jobs into key areas of responsibility. Then, for each area of responsibility, have employees generate a list of learning resources that can help them improve on, or learn more about, that aspect of their job. Those resources can be anything, from books to websites to other people in the organization. That alone can yield some really impressive results. Your employees may surprise you with their creativity and resourcefulness.

Once your employees have created this basic plan, have them set specific learning goals and keep a journal of their learning efforts. How did they tap each learning resource they identified? What have they learned? And how have they used that information to improve their performance, in concrete terms? This approach can be particularly useful for the self-starting high performers with the most enthusiasm and drive. Rather than getting frustrated by employee enthusiasm, managers can choose to channel it. By asking employees to keep track of, revisit, and test their ideas systematically, managers are no longer required to make learning decisions for their employees at every step.

5

MAKE RETENTION EVERYONE'S PRIORITY

TURN EVERY MANAGER INTO A CHIEF RETENTION OFFICER

Your goal should not be to eliminate turnover. Your goal should be to take control of turnover. You want the high performers to stay and the low performers to go. The only way to make that happen is if you are the one deciding who stays and who goes.

How do you achieve that?

Turn Every Manager into a Chief Retention Officer

Most employees want a manager who will work with them to help them meet their wants and needs. Yet sometimes managers feel indignant about this. Remember, in today's work environment, the employer-employee relationship is transactional. People are coming to work to earn. Part of your job is to help them earn. And that is the key to retention. You have to turn the reasons people leave into reasons they will stay and work harder.

Turn the Reasons People Might Leave into Reasons They Work Even Harder

Do not wait until employees start thinking about leaving to ask, "Is there anything we can do to keep you?" Ask on the first day of employment and keep asking every single day. Does that mean you should do everything for everybody? No. Should you cater to their every whim? No. But employees need to know that somebody understands what they want and need, somebody cares, and somebody is going to work with them to help them earn more of it. The key is not to give employees false hope or make false promises. When employees express needs and wants that are totally unrealistic, you should let them know. The next step, however, is to help them see what is realistic.

It is especially important to be mindful of how managers handle requests from employees for special accommodation. If an employee asks to leave early one afternoon to visit their grandmother in the hospital, does it really make sense to turn that employee down? It may make some complications for you in the short-term, but in the long-term that employee will remember and value your effort to accommodate them.

Now consider if an employee asks to work a special schedule, perhaps with the flexibility to work from home, or to work odd hours. Does it make sense to turn them down? If that person is very good at their job, and difficult to replace, consider what the long-term benefits of letting them work that schedule could be. The long-term cost of not granting that request could be losing that great employee to your competition.

Start talking with your valued employees about retention on day one, and keep talking about it. If you are talking with them about how to meet their needs and wants on an ongoing basis, they are much more likely to be open with you at those key points when they are trying to decide whether to leave or stay. If you are willing to work with them, you can be flexible and generous. That is how you make them want to stay and work harder, at least for a little while longer.

The Prestige Factor

One key to gaining control of turnover is the prestige factor. In order to retain the best, you need to send two messages, which are different sides of the same coin: "Not everyone gets to work here," and "It is a privilege and an honor to work here."

Very few organizations achieve outstanding prestige as employers. The ones that do typically have reputations for being extremely demanding, highly competitive, and fiercely merit based. They all have reputations for shining a bright light of scrutiny on the organization and on every single person working there. That is, their managers spell out expectations and evaluate employee performance against those expectations, on a continuous and ongoing basis.

Managers are critical when it comes to building the prestige factor, even if an organization's brand is not prestigious on its own. When managers shine the bright light of scrutiny on themselves as leaders and on every single person they manage, they hold everyone to a higher standard. By setting up a loop of constant feedback, challenge, and evaluation, they help everyone meet that higher standard. Having supervisors who practice the fundamentals of highly-engaged management is one surefire way to boost prestige.

Push Out the Low Performers

Another thing you can do to improve the status and prestige of your team or organization is to shine the bright light of scrutiny on low performers. With a bright light shining on them, stubborn low performers will usually stick out like sore thumbs. Remember, part of sending the message that "it is a privilege and an honor to work here" is sending the message that "not everyone gets to work here!" If you are serious about retaining the best, one of the most important questions you should be asking yourself is how you can get turnover to skyrocket among the low performers.

Remember that stubborn low performers hate the bright light of scrutiny and usually will find a way to escape. You rarely have to fire them if you are willing to shine that bright light. Often stubborn low performers will "fire themselves" after just days or weeks of sustained scrutiny.

Once you push out stubborn low performers, the trick is getting everyone else to want to stay and work even harder for you. How? Keep shining that bright light. While low performers squirm under scrutiny, high performers usually thrive. They want to know that someone is aware of just how much great work they are doing.

Do Not Let Good People Get into Downward Spirals

What about that vast group of employees who fall somewhere in the middle of the performance spectrum? Your job is to use that bright light of scrutiny to help them see their targets at work more clearly and aim better at those targets. By paying attention to them and their work, you tell them they are important and their work is important. Best of all, you will help them work a little faster and a little better.

Too often employees lose interest in a job, or start having negative feelings about an organization, because they are struggling with the work. Employees can become frustrated at their inability to adequately learn a skill, perform a task, or get comfortable with a responsibility. Maybe they become weighed down by a particularly challenging project. That is usually the beginning of a downward spiral for these mid-level performers. Often, they decide to leave long before they tell you. As a result, the downward spiral spins out of control. By the time they leave, you might think, "Good riddance!"

> Managers are critical when it comes to building the prestige factor, even if an organization's brand is not prestigious on its own.

How do you stop the downward spiral?

Start an Upward Spiral Instead

In these cases, the number one thing a manager can do is help the employee improve so they will start feeling better about the job and regain interest. Use the bright light of scrutiny to help the employee see what is going wrong and how to make things go better. Break down the project, responsibility, task, or skill into small pieces. Guide and direct the employee in accomplishing one very small piece at a time. Instead of suffering the pain of failure, the employee will get a chance to bank one tiny success after another. In the process, the employee is likely to learn and grow, and feel increasingly competent. As a manager, you will also put that employee in a much stronger position to earn more of the rewards they need. Even more importantly, you will restore the employee's hope about their future potential for advancement and success in this job and your company – and greater earning potential. Employees feel much better about a job when they feel they are winning as opposed to losing. The problem is that you cannot make them feel that they are winning just by telling them they are. You actually have to do the hard work of helping them start winning. That is how you shift the momentum and start creating an upward spiral.

Do Even More for Your Most Valuable Talent

Some employees are more valuable than others – to their managers, to their team, and to the organization. Valuable employees usually know their value, and they want valuable rewards to go along with their valuable performance. It follows that the more valuable the employee in question, the greater your retention efforts should be.

Make a point of talking regularly with your very best employees. Do not just ask them, "Are you happy here?" Rather, talk to them regularly to find out what they really want or need, whether it is a special deal or a small accommodation. Understanding an

individual employee's unique needs or wants is the key to being able to reward that person in a meaningful way. The more unusual the needs and wants of a particular employee, the more valuable it will be if you are able to meet those needs and wants, because it will be harder for other employers to replicate those rewards. If you can work out a special deal with a star employee to meet some unusual need or want that really matters to that person, you will have a powerful retention tool. Of course, you have to keep asking because their needs and wants are likely to change over time.

Whatever you are doing to be flexible and generous to retain your good employees, you need to be much more flexible and generous to keep your very best employees.

Everybody wants a custom deal. The more you are able to customize for them, the longer you will keep them. But if your resources and your ability to customize are limited, you had better concentrate those resources on your very best people. That is only fair. And it is the only way you are going to retain the best talent for any reasonable duration of employment.

Providing more generous rewards and work conditions in order to reward and retain high performers is a growing workplace trend. What we have learned in our research is that **providing differential rewards only works when managers do the hard work of shining that bright light of scrutiny on every single employee.** Every single employee needs to understand how and why they are earning the rewards they earn, and what they need to do in order to earn more. That means defining expectations every step of the way and tying concrete rewards directly to the fulfillment of those expectations.

When your employees deliver on their commitments for you, you deliver on promised rewards for them. If they fail to meet commitments, you have to call them on that failure immediately and withhold the reward. When every person is managed this way, your employees are much less likely to wonder why another person is receiving special rewards. They all know that someone who is receiving some special reward must have earned it fair and square.

Avoid the mistake of thinking that some of your employees are so talented, skilled, and motivated that they do not really need the attention of managers. The better they are, the more attention they want: the superstars want managers who know exactly who they are, help them succeed, and keep close track of their success.

If you really want to retain your very best superstars long enough to grow and develop them, someone has to make concerted efforts to surround them with teaching-style managers, advisers, organizational supporters, and maybe even mentors. The question every leader and manager should ask is: What roles can I play in this process?

ARE YOU READY TO WIN THE TALENT WARS?

The struggle to attract, motivate, and retain the best talent is the new reality of the labor market and it is here to stay. Not only are the talent wars not going anywhere, but trends in demographics and the overall employee mindset means that challenges are likely to increase.

There is no quick fix, but the guiding principles and practices outlined in this white paper are part of building the winning culture you need to make your organization the place where talent wants to come to contribute their best efforts and stay. Implementing them is a matter of consistency and tenacity – the talent wars are on, and if you want to come out on top you have to take time to make your organizational culture stronger each and every day.

CONTACT US

Bruce Tulgan and RainmakerThinking can help you create a winning culture of attraction, high-performance, and retention in your organization. Please contact us if you would like to learn more about how:

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ABOUT OUR RESEARCH

We at RainmakerThinking, Inc. have been studying relations between employers and employees in our ongoing workplace research since 1993. Since Bruce Tulgan's book WINNING THE TALENT WARS was first published in 2001, we have continued tracking human capital management challenges and best practices, looking inside more than 400 different organizations, in which more than half-a-million individual respondents have participated directly in our research. We also review internal survey data regularly, to date reflecting millions of respondents, and our work leads us on an ongoing basis to conduct internal organizational and leadership assessments in a wide range of organizations. This 2018 white paper is based on our most up-to-date data and findings.

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