Talent Retention through Strategic Creation of Talent Magnets - A Case Study Approach

Anju Kumar
Associate Professor, International School of Management Excellence, Bangalore, INDIA

ABSTRACT
Organizations are made or doomed by its employees. Talent discovery and Talent retention are the two processes of an organization that enable organizations to become Talent powered organizations. Companies will gain or lose based on their ability to manage Talent. Talent Magnets are those that concentrate on these two attributes of Talent management. Companies that attract and retain employees are the talent magnets. The employers of choice for highly talented people. Talented people want to join hands with winning talented teams. Talent acquisition is one of the most challenging roles of a HR manager. Talent acquisition takes on a strategic perspective and everything in business starts with competitive talent. A good start to acquiring good talent is a good recruitment plan. The discovery or acquisition enables companies to aggressively seek out new sources of talent. Talent-powered organizations work deliberately and methodically to discover broad, diverse talent pools—and then ensure that these pools do not dry up. The compensation and benefits package is not the only crucial element to be kept in mind while trying to attract and retain employees. Employer branding and internal customer satisfaction, are two of the critical factors which are considered and is addressed in this paper.

Keywords--- Talent, Talent Retention, Talent magnets, Employer Branding, Internal Customer Satisfaction

I. INTRODUCTION
One of the most important and essential constituents of a high performance business is Talent, an organizations people. People must be seen as contributors who through countless interactions in groups and teams, individually and collectively create an organization’s performance. Talent Magnets are preferred employers. Fundamental human needs have to be kept in mind while aspiring to be a Talent magnet. Intrinsically motivating and a fun place image is what is needed to make a firm a Talent Magnet. There could be many factors which make the organization a Talent Magnet. This paper will consider Employer branding and internal customer satisfaction as the main variables for discussion and research.

II. LITERATURE REVIEW
You ask for three factors, but you need twice that many "gold stars" to earn the grand prize of being a preferred employer. And it is a grand prize, because when you build a company where people really want to work, you've got your hands on one of the most powerful competitive advantages in the game: the ability to hire and field the best team (Welch J, Welch S. 2013). To become a Talent Magnet, a focused look at the fundamentals is required. The answer is in creating an organization that nourishes fundamental human needs and the emerging needs of today's employees. When organizations do this, they create a workplace that is intrinsically motivating and fun, a place of work that makes them a magnet for the most talented employees. Most employee attraction and retention strategies consist of crafting the ultimate compensation and benefits package or instituting an employee appreciation and recognition program (Lee D, 2013). Aspirations and expectations of star performers especially should be aligned with the practices of the organization that make it the employer of choice. There can bemany popular brand attributes like fun place to work, best work-life balance innovative company, etc. Most important for the company is to live and share the brand. (Benson and Kinsella, 2002). The key to attracting and retaining employees is not only the compensation package but other factors. Employer Branding and Internal Customer satisfaction are two other variables which need focus on while trying to discover and keep people in the organization.
III. TALENT RETENTION

One of the primary challenges facing managers today is to find methods of reducing employee turnover – especially the turnover of skilled/talented employees (Ready & Conger, 2007; Meisinger, 2007; Robert & Borjesson, 2006). These employees play a leading role in organizations. Normally a large amount of money and many hours are invested in their training and development. In the past, companies placed a great deal of emphasis on issues such as a neat and safe working environment, job enrichment, good communication, financial incentives, praise and recognition (MacKay, 2007; Dockel, Basson & Coetzee, 2006). However, it has become apparent that this is not sufficient, particularly for Generation X and Y employees, who are now a major part of the workforce (Horgan, 2008). Thus, other strategies need to be devised to motivate and retain employees, such as flexible work practices (FWP), also known as flexible work arrangements (FWA) (Kelly & Kalev, 2006). This concept has recently become interwoven with concepts such as work-life balance, family-friendly practices, workplace equity, worklife policies and alternative work patterns (O’Brien & Hayden, 2008). Effective retention management requires ongoing diagnosis of the nature and causes of turnover, a strategic approach to determining in what human capital markets retention has the largest impact on organizational success, and the development of an appropriately targeted and organized bundle of retention initiatives (Allen, Bryant, & Vardaman, 2010)

IV. EMPLOYER BRANDING

The employers wish to sell the company and the job to the best workers whilst the more gifted personnel (human resources) sell their special abilities in the labour market (Zsuzsanna, Gabor, 2012). Great people are drawn to great companies. A strong brand in the market place ensures a strong brand in the labour market. Employer brand is used as a magnet to entice and retain talent. Externally, prospective job candidates perceive your employer brand as a promise for an expected employment experience. Internally, employees perceive your employer brand as how well you deliver on that promise and how well they fit within your organizational culture. In short, it’s your identity as an employer (Ibbara). Employer branding, as it is known, has been described as “the sum of a company’s efforts to communicate to existing and prospective staff that it is a desirable place to work” (Lloyd, 2002). In arguing that employer branding offers the opportunity to make a difference and to have input and influence (Lee D, 2013) Haring challenging work assignments is probably one of the most sought after aspects of retention. People get bored by monotonous work and seek challenges in their work.

V. INTERNAL CUSTOMER SATISFACTION

The concept of job satisfaction is a heavily researched area in the field of industrial psychology, sociology and organizational behavior (see Herzberg, Mausner, Snyderman 1959, Oshagbemi 1996, Spector 1997). Job satisfaction is the extent to which employees like their work. Based on their perceptions, an employee either develops a negative or positive attitude towards their job and environment (Ellikson 2002). People come both with their brains and hearts to work. They want to feel passionate about what they do and be a part of something great. Leaders of Talent Magnets address this human need by regularly communicating to all employees where the company is going, the importance of what they are doing, and the significance of each employee’s contribution. They share stories of victories and warn about forthcoming battles with other rivals. The feeling of belongingness to a great organization ensures more buzz regarding the organization. Every employee dons the role of a recruiter carrying the brand of the organization they work for. Employees tend towards ten needs, pride in the company they work, meaningful work, personal and professional respect, sincere expression of appreciation, the ability to exercise autonomy and control over their jobs, the chance to bring their brains to work, the opportunity to learn and grow on the job, a sense of community and belonging, flexibility that allows for work and life balance, the opportunity to make a difference and to have input and influence (Lee D, 2013) Having challenging work assignments is probably one of the most sought after aspects of retention. People get bored by monotonous work and seek challenges in their work.

VI. OBJECTIVES

1. To understand the laser focus Talent Management initiatives used in employee satisfaction and how it is used in retaining employees. (Internal customer satisfaction)
2. To gain an understanding of how employer brand is used as a magnet to entice and retain talent

VII. RESEARCH METHODOLOGY

Two case studies of contemporary and successful organizations have been identified for the above study. The first one is on internal customer satisfaction and the next one on employer branding.
VIII. CASE STUDY RESEARCH METHOD

Case study research excels at bringing us to an understanding of a complex issue or object and can extend experience or add strength to what is already known through previous research. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships. Researchers have used the case study research method for many years across a variety of disciplines. Social scientists, in particular, have made wide use of this qualitative research method to examine contemporary real-life situations and provide the basis for the application of ideas and extension of methods. Researcher Robert K. Yin defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Yin, 1984).

IX. INTERNAL CUSTOMER SATISFACTION AT FACEBOOK

Facebook is an online social networking service. Facebook was founded on February 4, 2004 by Mark Zuckerberg with his fellow Harvard university students Eduardo Saverin, Andrew McCollum, Dustin Moskovitz and Chris Hughes. The services offered by Facebook are extensively used, by people all over the world. Facebook’s revenue is mostly from advertising. The 2015 revenue of Facebook is reported to be 17.928 billion dollars.

Facebook is also known for its dynamic and visionary leader Marc Zuckerberg. Play, process and aggressiveness are the three main elements of Facebook culture. Facebook has results driven Talent Management practices to foster Talent retention. The practices can be categorized into several types, of which the following are exceptional and contribute to employee satisfaction or otherwise known as internal customer satisfaction.

At Facebook, employees are a high value corporate asset. The Talent Management at Facebook is quantified into dollars. Facebook (along with Google and Apple) has taken the time to put a dollar value on its employee assets. For example, Facebook’s Director Of Corporate Development Vaughan Smith has estimated that when recruiting, “Engineers are worth half a million to one million” (each). When a single engineer is worth up to $1 million, you strongly invest in recruiting and in increasing their productivity, and certainly don’t focus on the relatively little cost per hire that it takes to recruit them.

The employee onboarding process involves employees to actually work on teams that spend their time working on multiple real projects. And to demonstrate its trust in new hires, during this time, boot campers have full access to the complete computer code behind Facebook. At the end of the onboarding process, employees are given the team choice. Also Facebook’s Hackamouth process is unique and is a self-directed internal movement process. It allows employees who have worked on a project for a year to select their own next project team and after working with them for a month, if they like it, they can stay.

Great food, amenities and a free shuttle ride to work are the enticers for employees to show up at work. Where continuous rapid innovation is the lifeblood, the data simply shows that face-to-face interaction between non-team members is the driver of collaboration.

Facebook offers free Wi-Fi shuttle buses from distant locations as far as an hour away. The buses not only improve attendance but they also increase productivity because employees can both collaborate and work while they are riding. The firm also offers free train passes, van pools, and of course free auto parking. A full woodshop encourages creativity amongst employees.

The approaches to managing employees is also unique. Imagine the excitement of every engineer knowing that what they do, on average, impacts over 1 million customers. Engineering staffing levels are purposely set to maximize the direct impact that an individual engineer has on customers. Getting a Managers position is a lateral transfer at Facebook. Every manager gets a mentor and a strength coach.

Facebook is fanatic about continuous feedback. Formal performance appraisal is done every six months, based on the results received from manager and employee online feedback tools (feedback is received typically from up to seven individuals). To quantify results, managers and employees are provided with real-time success metrics. Facebook has a 100 percent team environment, where most of the teams are small (usually around six) but they can be larger up to 30. In addition, almost everything is done on a project basis. An engineer will usually stay on a team until the project is completed; however, they may simultaneously advise several teams. The project work makes the organization extremely fluid, because most teams dissolve after the project is over. As a result, over a three-year period, an engineer may work on three different teams and have as many as five different managers. This fluid environment ensures that almost everyone gets to know and to work with many different colleagues, which in turn helps to reduce the building of the all-too-common corporate silos.

An open culture, empowerment of employees, and access to as much information about Facebook make working for Facebook a satisfying experience. Question and Answer, all hands meeting on every Friday afternoon reinforces the openness that Facebook believes in. During that meeting the CEO listens to ideas and he answers all questions from the employees. This ensures a healthy exchange of often contrasting perspectives.
X. FINAL THOUGHTS

Facebook deserves accolades for its unique approaches to motivating employees. Its success in satisfying employees lies in its laser focus. The business of Facebook is to connect people together and is reflected in its Talent Management approaches. The energy, focus and the desire to be first is evident in its policies and mirrored in its policies and practices. The level of openness and trust is second to none as is its willingness to try new things in talent management that can’t be benchmarked because no one else has ever tried them before.

*Employer Branding at Apple Inc*

Apple Inc. is an American multinational corporation headquartered in Cupertino, California, that designs, develops, and sells consumer electronics, computer software and personal computers. Apple was founded by Steve Jobs, Steve Wozniak, and Ronald Wayne on April 1, 1976 to develop and sell personal computers. It was incorporated as Apple Computer, Inc. on January 3, 1977, and was renamed as Apple Inc. on January 9, 2007 to reflect its shifted focus towards consumer electronics. Its line of products include, Mac computers, iPhones, iPod and iPad.

Apple has a unique way of communicating its employer brand to the labour market. Apple lets its products do all the branding instead of spending tons of money on employer branding. Innovation and thinking differently has an influence on would-be employees. Apple, as we all know, works hard on its product branding. Apple believes that if the organization lives up to its product promises, then the jobs it offers would also live up to its brand promise. Since the products are popular, people associated with the apple products also are lauded. High volume of quality applicants, turn out at Apple on account of the publics mindfulness of Apple products. The public see the employees of apple as collectively changing the technology of the world and this contributes to retention. Employees doing the ‘Best work of their Lives’ is a powerful situation that most companies cannot replicate.

Apple is also known as the most admired brand continuously for the past four years. The eight categories, in which Apple has ranked first include factors that impress potential applicants, people management, quality of management team, innovativeness, and social responsibility. The most admired list is based on the perceptions of business people and executives, something that Apple excels at managing. Employee pride, engagement and retention are the three factors Apple garners from these factors. We want our people to be on the leading edge, so that everyone wants them... and then we must treat them right so they will stay, no matter what offers come along! –Apple Senior Manager

The key lesson here is, if the company as in the case of Apple is highly admired then, large volumes of quality applicants will apply and can also be retained as they believe that they will be working on a leading edge, much talked about product.

Apple is renowned for using merchandise such as T-shirts, parties and celebrations to build cohesion and strengthen the internal brand as an assorted group of revolutionaries. Steve Jobs challenged the employees into thinking like pirates and revolutionaries and created the internal brand for the employees. By attacking the status quo, it helps to build innovation and out of the box thinking. The story goes that it even flew a pirate flag over the building. Apple has an obligatory non disclosure agreement considering it is a technology company and it is known that employees do not reveal about the company. Despite the silence, most would agree that Apple has a great “employer brand image”; Universum ranks Apple No. 10 among global engineering companies (2014). The lesson to be learned is simple: use management practices that support your desired brand and elaborate brand management work will be unnecessary. Get your potential applicants to admire your firm for who and what the firm does by being the admirable firm.

**Final Thoughts**

The concept of “Think different” creates a vision for the company and builds an emotional connection. Apple products have a global impact. The Apple message is that its customers are unique, cutting edge, counterculture and destined to do great things. This goes for the employees as well. Starting at the top with an eccentric CEO in Steve Jobs and supported by talented employees, the employees of Apple are truly the only ones who can deliver on the promise to its equally talented, peculiar and driven customers. It is clear that people with a rebel streak, people who go against the grain, fit in at Apple and that is clearly communicated by the brand and the product and that is the employer brand of Apple.

XI. CONCLUSION

The case studies which have been elaborated in this paper prove that employees are the greatest asset to any organization. Business enterprises are continuously facing the challenges in sourcing, attracting and retaining talented employees. Comprehensive policies and strategies need to be worked out to retain star performers. Employee needs differ and best employees want their needs to be met by their employers. Internal customer satisfaction plays a very big role in the performance and retention of employees especially in this technology era.

What makes some companies great places to work, is also what has been looked into, in this paper with the help of another case study. Employer branding is all about capturing the image of the company and creating a brand association between its employees and the product. Employer branding involves promoting, both within and outside the firm, a clear view of what makes a
firm different and desirable as an employer. Talent retention is a major challenge for Human Resource managers in the present business scenario. Therefore becoming a Talent Magnet creates a sustainable competitive edge for Talent Retention.

REFERENCES


Weblog

www.ere.net
http://agis93.wordpress.com/author/agis93/


http://www.wikipedia.com

http://www.isechool.utexas.edu/~ssoy/usesusers/l391d1b.htm


http://www.hrsalon.org/knowed/noteviewnote1523811917_2d02.html

http://www.humannatureatwork.com/articles/employee_retention/TalentMagnet-3pf.htm


http://www.ibsaf.org/icfai_books/Talent%20Magnets_How_to_Recurit_and_Retain_the_Best.html

http://answers.yahoo.com/question/index?qid=20130930173421AuLHHS

http://www.citehr.com/92629-four-key-ingredients-talent-multiplication.html

http://clearhrconsulting.com/blog/hr-smalltalk/employer-branding-lessons-from-apple/