



TALENT MANAGEMENT MEETS CULTURE MANAGEMENT

EMPLOYEE ATTRACTION AND RETENTION

By Karl-Heinz Oehler, Managing Director of Europe,
Denison Consulting

Fit...

is about both organizational fit and motivational fit. It asks, “Are my values aligned with those of the company I chose to work for and am I motivated to deliver discretionary performance in the job I’m being selected for?”

Employee Attraction and Retention

Attraction and retention of talent is critical to the success of every organization. That’s a given. But that doesn’t just mean finding and keeping talented people. It’s something more. It’s accomplished by finding and keeping people who fit with and contribute to your particular organization’s culture and business goals, people whose values are aligned with your company’s so that they are motivated to deliver discretionary performance in the organization.

If you do this, you will avoid the costly failure of hiring the wrong people or, perhaps worse, hiring great people only to lose them. If you don’t—well, we all know the stats on the high cost of turnover, and the negative effects it has on organizational performance.

When you dig deeper, you discover that often, the loss of talented people—or the failure to attract the right people in the first place—is related to a lack of coordination between Talent Management and Culture Management. In this article, we want you to walk with us toward a better result for your organization by identifying some of the unintentional causes of these kinds of losses, and discussing how to proactively prevent them and the damage they cause.

Talent and Culture are intrinsically linked. So, let’s begin by taking a look at how Culture Management and Talent Management affect the Employee Life Cycle.

Employee Life Cycle

Over the course of employment with an organization, every employee progresses through five discrete stages of what is often called the “Employee Life Cycle” (Fig. 1). When everything is working, an employee will move sequentially through the five phases, taking on leadership

in the process. The ideal scenario is when talented employees move through additional iterations of stages 3 through 5 over the course of their careers, growing and taking on more responsibility and leadership over time.

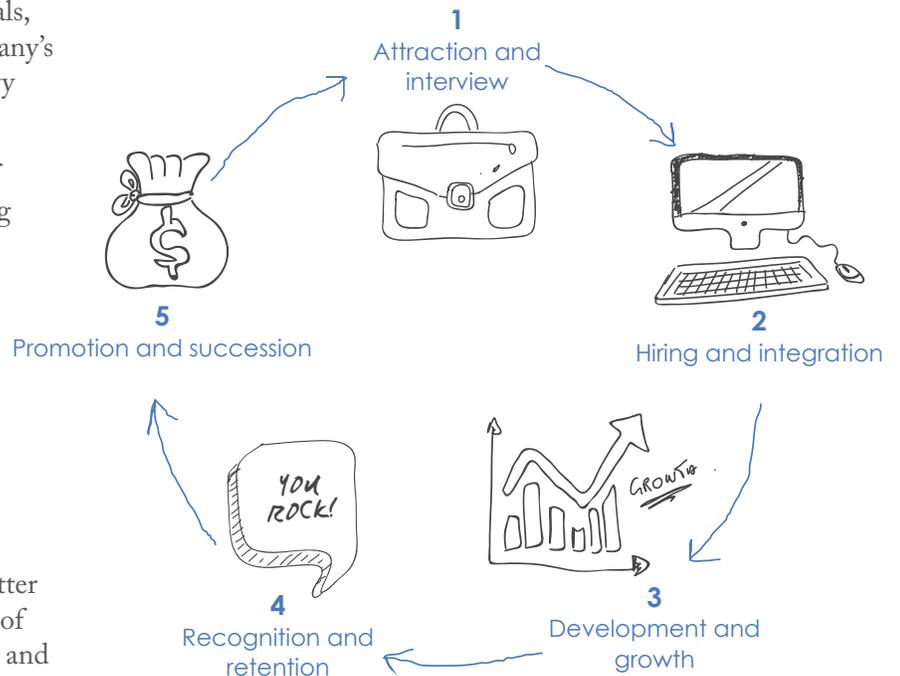


Fig. 1. Employee Life Cycle

All too often, though, the trajectory is broken. The good employees leave—they can find new jobs tomorrow. Remaining, dissatisfied employees become disengaged. They don’t trust leadership, and don’t give discretionary performance. Plus, the sudden functional gap resulting from an unfilled role may cause delays in company processes, for example, or disturbances in client relationships. Ultimately, bottom line performance suffers.



What Breaks the Employee Life Cycle?

In our experience, one of the following three factors is often the root cause.

1. Poor fit

If the attraction/assessment process in stage 1 is inadequate, you and the new hire have skewed ideas of each other. You may each think that her professional goals, abilities and motivational drivers match your corporate goals, culture and skill needs, but they don't. Over time, the poor fit becomes apparent, and the employee leaves, perhaps voluntarily, perhaps not.

Alice interviewed with Tantalus Engineering for a position in middle management. She was articulate, well-credentialed, and came with extensive, relevant experience from two other engineering firms. She interviewed well, asking questions evidencing strong industry knowledge and insight. But no formal assessment was performed, and within six months of her hire date, it was clear that Alice's motivational drivers—speed to market, results sometimes at the cost of relationships, and personal advancement—were not in keeping with the corporation's manner and tone. As sharp and talented as she was, she began to rub her superiors and her direct reports the wrong way, and was clearly frustrated with the organization. Alice quit after only 14 months. Everyone knew they had lost a great player but just couldn't find a resolution.

2. Promises aren't reality

The employee's goals and cultural values may fit with the corporate picture painted by marketing, interviewers, etc. But the realities he encounters when he joins the organization are something quite different.

Johann is excited. He has just earned a graduate degree in engineering, with honors. Out of several enticing job offers, Johann has chosen a position as a designer at Tantalus Engineering. Tantalus is in a part of the industry that Johann believes will have a positive long-term impact on

society. The Core Values emblazoned on Tantalus's atrium wall resonate with him, and match the interviewer's description of the company culture.

Fast-forward 20 months. Johann's excitement has evaporated. The Core Values posted in the lobby now seem as artificial as the plastic they're painted on. Where is the "employee empowerment" they talked about? He'd yet to see one of his or his peers' suggestions implemented. And where is the "promotion based on performance"? His smartest, hardest working team-mates were passed over while other leadership positions were filled from outside. Two of his colleagues had quit with no comment from management. So much for "transparency."

Johann stuck it out for 2 years, but finally gave up and got a job at one of Tantalus's fiercest competitors.

3. Good fit, but...

The employee's goals and skills do match your organization's goals and needs, but the various functions involved in your organization's Talent Management are not coordinated. Follow-through is lacking, or hit-and-miss over time. Though intentions are good, the systems fail and the employee leaves in frustration.

Supriya was sorry to see Johann go. She'd joined Tantalus Engineering at the same time he had and had watched his enthusiasm slowly fade. She understood. Like Johann, Supriya was bright, personable, and hard working. She was an eager contributor of creative ideas, none of which were tried. She'd already been moved to new teams not once, not twice, but three times. Though she had been politely vocal to her managers and to Human Resources about these and other frustrations, Organizational Development had implemented a restructuring in her division that overrode HR's promises and Supriya's career goals. She called Johann. He got her an interview at his new company. Tomorrow, she'd tell her manager at Tantalus that she is leaving.

The Fix

These three root causes—poor employee fit, corporate promises not matching organizational reality, and unsynchronized Talent Management systems—result from a mix of Culture Management and Talent Management problems. How do you address them?

1. Avoiding poor fit

Attracting potential employees is, obviously, a Talent Management task. But assessing a candidate's fit is not merely a matter of evaluating his skills. It's also crucial to assess the prospective employee's goals, values and motivational drivers, and compare them with the needs, goals, values and performance incentives (formal and informal) of your organization, i.e. the culture.

In other words, you must address Culture and Talent issues together, understanding and keeping an eye on three points:

- **Company culture matters to prospective employees.** They're looking for an organization whose goals match their own motivational drivers.
- **Employees are loyal to culture, not strategy.** You may have a winning business plan with a social conscience, but that won't be enough to keep your best talent on board if your culture is broken.
- **Employees directly affect bottom-line performance.** Every successful company provides a powerful customer experience through its employees. Disgruntled employees thwart consistent delivery of this experience, which, if left unchecked, results in a downward spiral that works against higher performance.

2. Matching reality to promises

Words on a wall do not Core Values make. If they're to be meaningful at all, values must be reflected in consistent, conscious management actions and behaviors. Then they get echoed throughout the organization so that a well-defined, distinctive corporate culture grows and is lived out consistently. When it is, it makes a major difference in the lives of the people and a clear, quantitative difference in your financial performance. Distinctive cultures make great companies!



3. Maintaining the good fit by managing it

When you and an employee are a good fit, you could still be in trouble if you don't structure your talent management processes to actually produce the desired organizational results. Employees inevitably experience a loss of momentum when Talent Management is fragmented across departments and disciplines.

Each phase of the Employee Life Cycle involves distinct processes and challenges, both for the employee and the employer. Some of these matters are traditionally addressed by Human Resources (HR)—items like hiring, benefits processing, and orientation. Others may be addressed separately by other functions within the company. For example, Organizational Development (OD) emphasizes system-wide change to improve organizational performance. Performance Management (PM) emphasizes strategic and ongoing employee goal setting. Human Capital Management (HCM) focuses on development of employee capacities. Learning Development (LD) targets the learning of specific skills. But these must not be addressed in isolation!

Your business is comprised of a set of overlapping systems—systems that are dynamic, moving all the time. To respond effectively to the changing demands of the market and the organization, the various functions that make up each system must be integrated. For example, sales departments are integrated. We don't put qualifying a prospect and bidding into separate silos. They are discrete, but highly interdependent functions. Business cycles are integrated: supply chain, value chain, customer acquisition, product delivery, etc. No one treats those as separate, competing functions.

Why, in contrast, do we so often treat Talent Management in such a fragmented way? It's true that the Lean Six Sigma process is usually related to operational processes, but even there, most organizations don't check to see if the employee profile fits the operational need.

We would argue that, in order for Talent Management to be effective, it must also be dynamic, responding to the changes in the organizational system. To achieve this flexible dynamic nature, HR, OD, PM, HCM and L&D must be integrated.



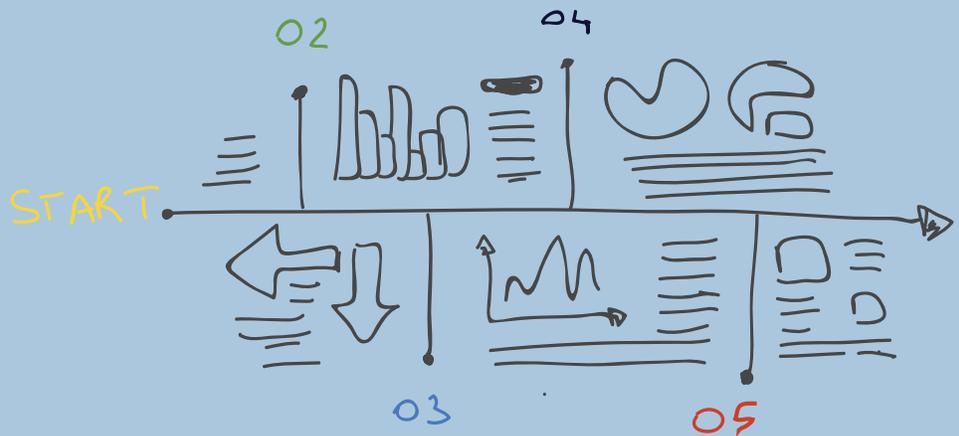
Lis was hired from the outside as Tantalus Engineering's CEO two years ago. She never met the very talented Alice, but she certainly heard stories about her attempts to drive results. She also heard about a couple of other employees. Johann and Supriya had been brought to her attention as very promising new hires. Recently, Lis realized no one had mentioned either one for a while and she

wondered why. She soon discovered that each had quit, and after some digging, she learned why.

Because of these and many other scenarios she had witnessed, Lis realized it was time to assess and revamp Tantalus's culture, and to synchronize and integrate its Talent Management functions and teams. The long-range success of Tantalus depended on it, and she was determined that Tantalus would succeed.

Where The Rubber Meets the Road

So how do you integrate Organizational Culture and Talent Management? That's easy. Well, no it's not. But it is achievable. For your Culture Management and Talent Management to be effective, you must do five things.



Aim first.

You must know what it is you and your organization are after by identifying core values and specific, measurable business goals. At Denison we have helped hundreds of companies clarify their corporate goals and values, drilling down to discover and articulate what they really want to accomplish and why.

Assess your culture.

You must determine how well your corporate culture is poised to meet those goals and support those values. Having a reference point to compare with

other businesses is critical. Denison's expertise can be important here. We use the Denison Organizational Culture Survey (DOCS) with management and key staff to evaluate your organization's strengths in 12 key areas that are statistically associated with strong, bottom line business performance. The scores are ranked as percentiles against the results at over 1,000 other companies globally.

The resulting descriptor of your culture will determine what needs to happen with Talent Management over the course of the Employee Life Cycle.

Assess your employees.

You must know what your employees and prospective employees want, and what their strengths and weaknesses are. Without this knowledge, you cannot effectively guide them throughout their employee life cycle in ways that benefit both them and your organization.

Too often, companies who use assessments before hiring—especially for higher levels—ignore the resulting data when it comes to onboarding and employee development. The data is filed, and no one pays attention to it. In the same way, promotion decisions often are not integrated with performance management.

Assessments differ depending on their purpose, such as assessing a prospective employee prior to hiring, and assessing a current staff for development or promotion.

The Denison Leadership Potential Report (DLPR), a Hogan-based assessment, is one helpful tool. The assessment data in this report is keyed to the same 12 indices assessed in the DOCS survey. In this way, you can map the individual against the culture for effective Talent Management. (For more on this mapping, see our leadership development TRANSFORM article, [“Coaching and the Culture-Fit Model.”](#))

Other assessments, such as one for Learning Agility, are useful to help fill out the picture at key points in an employee’s life cycle.

Integrate Talent Management, synchronizing it with Culture Management goals.

Breaking down silo barriers between HR, OD, PM, HCM and L&D will take executive support. Too often, we see the world through our specific discipline and may feel that integrating with others will take our focus off of what we need to do to reach our departmental performance metrics. With executive support, the various departmental managers will be released to build these relationships and create a coordinated, portfolio-based solution rather than isolated, discipline-based ones.

Start the process by identifying integrated Key Performance Indicators (KPIs) that tie directly to your organization’s recruitment and retention goals. Make achieving these integrated goals part of the incentive plan of the leaders of the various talent management functions so they are personally rewarded for the

outcomes you need as a company.

Denison’s Change Management Consulting is useful here. We provide a systematic approach to managing organizational change, moving it from the foundational framework provided by the Denison Model, and the DOCS, and DLPR data results, into prioritized, short-term and long-term actionable steps. In this way, you don’t “look at yourself in the mirror” and then go home and just do what you’ve always done.

Some customers also take advantage of the **Denison Decision Making Program**. The higher you get in an organization, the more complex the decision making process gets. We provide a methodology based on a system that addresses how you make decisions (both in private and in public). We will help you identify areas of conflict driven by decision-making processes, assess how those conflicts are perceived, and develop approaches for handling the conflict.



Encourage and support employee initiative.

Engagement is an effect, not a cause. Employees are responsible to make themselves heard, but management is responsible to listen and respond. Too many willing employees are prevented from improving an organization by management that is deaf to their input—not wanting to wake up a sleeping dog. These valuable employees won’t wait forever. If their discretionary contributions are thwarted or ignored long enough, they’ll leave.

Interface with your team through [regular pulse surveys](#). Use these to crowd source solutions and to make certain that your team understands the goals of your integrated Action Plan and believes that they are being empowered

to achieve them. This ongoing dialog with your employees, not just annual reviews or surveys, is critical. (Of course, the degree of formality and detail will vary depending on circumstances.) You want feedback from groups as well as individuals. For example, you might repeat a DLPR when you're considering moving an employee to a new, critical position, or when you need to develop higher performance in the current position.

Fig. 2. Integration of Employee Life Cycle and Organizational Culture

	1 Attraction & interview	2 Hiring & integration	3 Development & growth	4 Recognition & retention	5 Promotion & succession
MISSION	Clearly establish mission and values	Show alignment between culture and individual through an assessment tool and share this with the new hire	Assess how the individual can advance mission	Reward for mission initiative on specifically identified goals	Train to transfer mission and values to others
ADAPTABILITY	Define what this means for your organization	Give examples of pivots in the business based on past market changes	Use town halls keep team abreast of changes, do team adaptability exercises	Reward for adaptability interventions	Work with the leaders of HR, OD, PM, HCM, LD to manage changing needs
CONSISTENCY	Illustrate how consistency works here	Follow a consistent hiring process that everyone can share about	Measure consistency of Talent Management functions, receive feedback from individuals	Reward for consistent behavior as confirmed in metrics	Innovate improvements in the system, then orchestrate throughout the organization
INVOLVEMENT	Identify how your employees are empowered	Incorporate a team into the hiring process to confirm the right hires	Assess annually and in regular one-on-ones the experience of the individual employee—discover met and unmet needs	Reward for involvement	Equip this leader to motivate employee engagement and replicate him/herself in the organization

Caring for the Individual

When your system is aligned and leaders are motivated to live out a Retention Mindset, then you can effectively address the needs of individuals. In Fig. 2., below, you will see ways that you can address the key Cultural Drivers identified in the Denison Model—Mission, Adaptability, Consistency and Involvement—during each phase of the Employee Life Cycle. These actions will eventually need to become part of your standard operating procedure and identified as part of “The Way We Do Things Around Here.”



The Denison Path to High Performance

Organizational change is complex. It's not something to undertake lightly or without experienced assistance. Figure 3 below illustrates how customers use Denison's services and products to support their efforts to improve their Talent Management systems, shown within the framework of the Employee Life Cycle.



Fig. 3. Denison Assessment and Management Tools in the Employee Life Cycle

	1 Attraction & interview	2 Hiring & integration	3 Development & growth	4 Recognition & retention	5 Promotion & succession
DOCS	DOCS	DOCS	DOCS	DOCS	DOCS
	DLPR			DLPR	
		DM+W	DM+W	DM+W	DM+W
			DCMC	DCMC	DCMC
			DDMP	DDMP	DDMP

DOCS	Denison Organizational Culture Survey. Assesses the strengths of your corporate culture using 12 indices statistically tied to high performance and bottom line business results. Useful before hiring new staff, especially in combination with DLPR.
DLPR	Denison Leadership Potential Report. Using the same 12 indices as DOCS, assesses employee's strengths in light of your organization's needs and culture.
DM+W	Denison Model + Waggl. Denison Model-indexed data gathered using Waggl's pulse survey platform to monitor culture transformation and employee perception in real time.
DCMC	Denison Change Management Consulting. Systematic approach to managing organizational change, moving it from theoretical framework of the Denison Model, and from the DOCS and DLPR data results, into prioritized, short- and long-term actionable steps.
DDMP	Denison Decision Making Program. Systematic approach to handling complex decision making in light of individual and organizational roadblocks.

By accessing the insight Denison has gained while helping hundreds of companies over the years, you can coordinate your Talent Management with your Culture Management and avoid the problems Tantalus Engineering faced when they hired Alice, who didn't fit their culture. Or when they lost great employees like Johann and Supriya, because Tantalus didn't match its culture to its claims, or because their Talent Management wasn't integrated.

We will help you move your systems to where they need to be. Our tools give decision makers and team members the data to assess the progress and future direction, both for individuals and the organization as a whole. And our consulting helps you plan and then implement the changes you need to make.

With this support, you will gain measureable improvement in your ability to acquire and retain talented employees who fit your culture and your business goals. And that's crucial to ongoing business success.