

Culture: If you build it (right), the talent will come (and stay)

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In August, *Inc.* magazine released its 2011 list of the 500 | 5000 “Fastest Growing Private Companies in America.” Upon closer inspection, viewers may notice a direct correlation between company success and a work culture that fosters creativity and talent. For example, the number two company on the list, Solazyme, encourages employees to take risks to achieve their goals, believing that small failures can lead to great success ([Inc. Magazine](#)). Similarly, employees at Menlo Innovations, ranked #3479 on the list, work in one big room – no one has their own personal chair, table or computer – and work in pairs for maximum teamwork and inspiration. Each pair works together for one week. When Monday arrives, they move to another component of the project, or a new project all together. While the learning curve each week can be high, the creativity, energy and fresh perspective this continuous change brings is crucial to keeping employees engaged ([Inc. Magazine](#)). Many other successful companies also have unique ways of motivating employees, including Google and Apple. Ultimately, creating a talent-rich organization isn’t rocket science and doesn’t have to be an expensive endeavor. All that’s required is a culture that motivates and excites employees so that talent is continually refreshed and sustained throughout the life of the company.

“Maintaining a talent-rich culture is especially important today because talent is difficult to find.”

Creating and maintaining a talent-rich culture is especially important today because talent is difficult to find. According to McKinsey & Company’s “The War for Talent,” the demand for highly skilled people outstrips supply. This is a challenge so many organizations are confronted with today, and finding the delicate balance between producing results and retaining and engaging employees can be difficult. Given today’s uncertain economic landscape—companies are still downsizing and doing “more with less”—the risk that employees could become disengaged is greater than ever. In order to maximize talent, organizations are forced to rethink the way that they do business or how they prepare for the future (Baker, 2002).

At the core of the solution is creating a sustainable talent culture. Studies show that creating a talent-focused, supportive company culture is part of what drives individuals to join and stay within an organization (Fegley, 2006), which can have a tremendous impact on the bottom line.

Why Culture Matters

So what does having a talent-focused and supportive culture mean? Organizations that have this type of culture value diversity of talent and view talent as critical to business performance. They support the promotion and sharing of talent and are diligent in developing strong performers. They also support and invest in human capital so that employees can reach their full potential, even if it means the performer moves out of their direct organization (Sharkey & Eccher, 2011).

The overarching issue with many organizations is that the culture they've created does not support the growth and development of their people. For example, employees may feel as though they are replaceable parts, easily exchanged when a "cheaper" solution comes along. Taking the time to learn and seek advice around how to improve may be frowned upon or even seen as a weakness. As a result, employees may end up moving to another organization, taking their valuable intelligence and knowledge with them.

"More than three-quarters of departing employees surveyed would not recommend their past employer to others."

To further this point, a recent study from the Corporate Executive Board, Co. showed that more than three-quarters of departing employees surveyed would not recommend their past employer to others ([The Corporate Executive Board](#)). *The Wall Street Journal* reported that this is the worst percentage in at least five years and said that "in 2008, just as the recession began, only 42 percent of employees said they wouldn't recommend their employer" ([The Wall Street Journal](#)). Although experts cannot pinpoint the exact cause of this trend, it's important for employers to set aside time to review their employee programs and processes and examine which—if any—are contributing to a potentially negative work culture. Whether it's in the recruiting practices, overall corporate climate, or the way highly valued employees are treated, identifying areas that put employee satisfaction at risk plays a key role in creating a work culture that attracts and sustains talent.

Common Characteristics of Companies with Talent Rich Cultures

So how can HR leaders and talent management professionals help create a positive work culture that encourages people to stay, emphasizes learning and talent development, continually refreshes current talent and attracts new talent? One way to achieve this is by studying the common characteristics of successful companies, starting with their leaders. Although business leaders often look to one or two areas for change and improvement, the reality is that creating a talent-rich and successful company involves a multitude of elements.

Business leaders who prioritize healthy, talent-rich cultures share the following characteristics:

- **They value diversity.** Recognizing the importance of diversity—which spans perspectives, backgrounds, ethnicities, religions, etc.—successful business leaders actively seek out and pursue alternative points of view. Understanding that their world view is not all encompassing, they are able to leverage others’ perspectives to gain a competitive advantage.
- **They maintain a high level of candor.** Talent processes are visible and people know where they stand. Conversations are transparent and open with both the individual and their employers.
- **They encourage movement cross-company.** While leaders want to have the best talent on their team, they also look for opportunities to cross-pollinate talent across the organization. They realize moving and stretching are essential in adding depth to the talent pool around them.
- **They’re flexible and open to try something new.** New is not seen as “frightening” by leaders seeking to develop talent or change the culture. It is seen as a way to implement positive change, challenge the status quo, and learn from the company failures and achievements that result.
- **They assess, develop, and coach talent.** To foster talent development, leaders look to evaluate their employees’ talents and actively encourage the development of their people through clear, specific, and constructive feedback and training mechanisms.
- **They move talent based on business need and personal aspiration.** For people to buy into the development process, there must be a visibly genuine interest shown in matching the individual and their needs or desires for growth with the organization’s. Having a true fit between the business need and the goals of the individual will garner greater personal buy-in, results, and excitement.
- **They assume accountability for having and delivering on talent plans.** Not only are talent plans emphasized as a critical part of the development journey, they should be a part of the fabric of a development-oriented culture. Plans are created, have a follow up mechanism, and encourage active engagement to aid in development and succession planning efforts.
- **They act as communication champs for talent initiatives.** Business leaders at talent-rich cultures vocally champion opportunities for their employees to move on and gain experiences that further their skill sets. These leaders proactively seek out opportunities rather than wait on HR to make promotional decisions. This way, in the chess game of the business world, they are always thinking several moves ahead to nurture and bring on new talent.
- **They are personally engaged in development initiatives.** Leaders that value rich, diverse talent stay engaged in the process and make it easier for employees to enhance their skills and access resources that can take their careers to the next level. They are committed to developing those around them as well as themselves and make learning a top priority.

Roadblocks to Developing a Talent-Rich Culture

Conversely, there are roadblocks that can impede even the best-intentioned efforts to improve company culture for employees. While they are not impossible to overcome, diligence is key to successfully implementing the positives while strategizing a way to move beyond the obstacles.

The following list identifies common barriers to developing a talent-friendly culture.

- **Leader actions do not match their words.** While the company and its leaders say they value diversity of talent, it can be detrimental if their actions demonstrate the exact opposite. There should be transparency in what development initiatives aim to do and how these programs are put into place with full leadership support.
- **There's too much emphasis on "measurable," short-term results.** Goals and financial reports are easily measured, demonstrable values that leaders use to benchmark their success to employees and stockholders. However measuring *talent* is equally important, but often dismissed as impossible. Yet without measuring or analyzing current talent, business leaders won't understand the talent they have yet to acquire or be able to show their people that they truly value their skills and are invested in their future career development.
- **Good results are rewarded amid destructive performance.** Yes, short-term results are important, but having a bad apple in your bushel over the long-term will ruin your harvest – or in this case, talent and the results they achieve. Leaders need to be sure they address behaviors that negatively impact their culture regardless of the results that the employee produces and encourage growth at all levels. If talent feels like a commodity to the people working for you, your culture and people's attitudes will reflect this.
- **Talented employees are overloaded or hid.** Business leaders who put too much work on employees' plates can prevent them from further developing their skills and strengths. In addition, hiding the unique talents of people to "keep them" under your wing can also hinder personal growth. Successful, talent-rich cultures are able to strike a balance between driving business results and putting aside time for individuals to build their skills and gain visibility throughout the organization. By creating this type of culture, business leaders spread the wealth of talent across their organization to raise the bar and create visibility for all involved.

Steps to Become a Talent-Rich Culture

Changing an organization’s culture may take significant time, effort and resilience; however it is not an impossible task. Here are a few best practices business leaders and HR executives can use throughout this transition:

- **Start at the top.** It will be imperative to gain support and sponsorship from senior leaders. If they are not living out and exemplifying the culture in the organization, others may be skeptical of the changes taking place.
- **Engage employees from day one.** Organizations that have systematic on-boarding programs in place often see increased retention, employee engagement and productivity (Snell, 2006). An effective on-boarding program can help set the tone for the employee and allow them to quickly gain an understanding of the organizational culture. Ensure you are communicating the importance of learning and talent development during this critical phase of the employee’s life cycle.
- **Focus on empowering employees.** Employees should be encouraged to try new skills, make decisions and ask questions without feeling as though they will be punished for “making a mistake.” Additionally, employees should have some influence around what job tasks are assigned to them and understand how it will help them reach their career objectives (Mallon, 2010).
- **Make continuous learning an organizational process.** Create an environment where employees are stretched developmentally. Individual development goals should be documented and people should be held accountable for their development “deliverables.” Additionally, a regular cadence should be established for providing feedback around these development objectives.
- **Demonstrate the ROI and value.** Most individuals are not going to be willing to dedicate their time and energy in a new initiative until they see the benefit to them. Demonstrate how important learning is to the organization as well as to the individual. Use your knowledge and understanding of what drives individuals to show them the opportunities offered by the organization are valuable (Mallon, 2010).

Building a Culture That Fosters Talent

In order to properly embed talent into the company’s DNA, the company’s culture must be assessed prior to launching any new talent initiatives.



Figure 1. The Talent Optimization Framework

Research conducted by Sharkey and Eccher (2010) around their Talent Optimization Framework, shown in Figure 1 above, focused on comparing results between top and bottom quartiles for business outcomes on each of their eight levers. They found that organizations with a stronger score in the Supportive Culture lever of their talent framework had a 30% increase in achieving greater business outcomes than those in the bottom quartile. Further, they demonstrated that organizations focused on creating a supportive culture had a 10% positive impact on improving business outcomes, even if the other levers of the model were considered average. Having a framework in mind for what this could look like can be imperative for structuring talent initiatives and then communicating the overall vision for talent with others in the organization.

Key Take-Aways

In summary, there are many factors to consider when changing an organization's culture to emphasize the growth of its talent. The themes that talent managers should keep top of mind when thinking about how to implement these changes include:

- Culture matters – By having a supportive culture, HR executives and business leaders can better retain talent and maximize team growth and output.
- Focusing on people is positively correlated to improved performance.
- Effective talent management strategies start at the top and start from day one.
- Learning should be a continuous process for each individual and should demonstrate value and ROI over time.
- Keep in mind the positive traits and characteristics of talent-rich cultures and make strides to incorporate these in your own organization.
- It *is* possible to change work culture so that it positively affects employees and the bottom line. It will not occur overnight, but with a few simple steps conducted regularly, the talent will flourish.

Reaping the Rewards

By taking the appropriate steps to build and sustain a culture that supports talent with clear strategies and initiatives, organizations are best equipped to retain and recruit talent well into the future. As this paper has demonstrated, the benefits of focusing on culture as a key part of the talent management process can reap benefits at multiple levels throughout the organization and throughout an employee's lifespan within it. In the cases of both Solazyme and Menlo Innovations, it is likely that the culture they foster around current and future talent and creativity played a strong influence on their listing within *Inc.* magazine, as well as their ability to continually grow and spur new ideas. Although both cultures are unique, they are ultimately focused on creating an environment that fosters creativity and talent development.

When all of this is considered, it is critical to look within and see if your organization has the right pieces in place to capitalize on the benefits of sustaining a talent-focused culture. It is never too late to start securing your footing in the marketplace as an organization focused and committed to creating a culture that supports talent, learning, and nurturing at all levels. Take a step back and consider how you, as a leader within your organization, HR department, or otherwise, can start to exemplify the importance of building this strong culture. How can you nurture the talent potential while drawing in new employees that not only want to be engaged, but stay for the long-term and enjoy what they do?

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About the Vaya Group

The Vaya Group is a Talent Management consultancy that applies science and precision to the art of talent assessment and development. Driven by their passion for helping leaders and organizations improve behaviors, capabilities and business performance, Dr. Paul Eccher and Dave Ross founded the consultancy—originally called Corporate Insights, Inc.—in 1997. With its talented team of consultants, The Vaya Group is able to provide quality service and sage advice to its clientele. In August 2011, The Vaya Group was nominated to *Inc.* magazine's annual list of the 500 | 5000 fastest growing private companies in America. For more information, visit www.vayapath.com.

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