

## Keeping the Keepers

***Holding onto high performers is a top-of-mind concern at the nation's largest companies as the economy rebounds.***

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It's been the topic of the year: What happens to top talent when the recovery gets into full swing?

Despite the on-again, off-again economic recovery, it's a certainty that high-potential employees have a market value now and in the future. So it's instructive to learn how the nation's largest companies, listed in *Human Resource Executive*<sup>®</sup>'s [Top 100 list](#), are coping with these current and future challenges.

The fear that high performers will flee is a real one, even for highly engaged employees, given the results of an Aon Hewitt Engagement 2.0 Survey in August. A random sampling of U.S. employees finds that 24 percent of highly engaged employees would be open to other job offers and/or will actively look when the economy improves.

So what will keep top performers happy? It's not about the money. In a Kelton Research/Cornerstone OnDemand survey last year, more than half (53 percent) of 584 working Americans surveyed said that, aside from compensation and benefits, being appreciated would motivate them to stay in their current position -- even more than an opportunity to advance their careers (46 percent).

"Eighty-two percent of surveyed employees hadn't established any career goals in collaboration with their manager, 68 percent hadn't received any kind of useful feedback from their supervisors in the last six months and 53 percent said they didn't feel like they had any understanding of how their role contributed to broader business objectives," says Charles Coy, director of product marketing for Cornerstone, a talent-management-solutions provider based in Santa Monica, Calif.

"These findings dovetail with what we've been hearing, confirming that, on a touchy-feely level, employees don't feel appreciated."

That tracks with findings from surveys done by the Forum for People Performance Management and Measurement, a Naperville, Ill.-based research center within Northwestern University's Medill Integrated Marketing Communications graduate program, says Jennifer Rosenzweig, the Forum's director of research.

"Organizations think too much of themselves as an aggregate and not enough of employees as individuals," she says. If, however, you can flip that focus, you can get engagement and retention of top performers, even in a recovery.

Experts agree, and add that job customization can also engage top performers ([see story](#)).

HR leaders from the nation's largest companies (see [Top 100 list](#)) concur that keeping hi-pos depends on making jobs meaningful, as the following stories demonstrate. It's also about developing a strong culture built on listening to and communicating with employees on a regular basis; empowering effective management, mentoring and training; being flexible in job descriptions and work arrangements; and even, dare we say it, having a little bit of fun.

Like many companies on the Top 100 list, Hilton Worldwide (No. 51) has recently been structuring its talent-management strategies to support a culture for the entire workforce -- top performers, in particular -- that enables employees to create their own paths toward greater engagement.

"Like most companies, the loss of good talent is always a cause for concern and, as the economy grows stronger, there may be some [employees] who feel more confident" to pursue work elsewhere, says Matthew W. Schuyler, Hilton's executive vice president and chief human resource officer. "It is our belief, however, that retention of top talent is impacted most by the ability to provide meaningful work and a culture where people are passionate about what they do, rather than the economy."

Top Hilton performers are identified and recognized through supervisor and colleague nomination programs, including the global CEO Light and Warmth Award that highlights workers who embody the values and champion the vision of Hilton Worldwide either through a specific event or through their daily interactions. The values, which spell out HILTON, are: Hospitality, Integrity, Leadership, Teamwork, Ownership and Now (e.g., operating with a sense of urgency and discipline).

Also, Hilton's career-pathing program gives employees online access to detailed information on all roles within different departments and the ability to explore a wide range of training to develop the necessary skills; in the end, this encourages long tenures within the organization.

Hilton also adds "getting into the trenches" to its list of engagement programs. From May to December 2010, 70 Hilton executives left their offices for a required three- to four-day business-immersion program that gives them hands-on experience in a variety of jobs at a Hilton property.

Each night on the employee web portal, the executives reported through blogs and photos about their experiences and the employees they met. A huge side benefit of the program, Schuyler says, is that visited employees appreciated when the executives publicly acknowledged them for their work and, better yet, understood what they did.

"Our CEO [Christopher J. Nassetta] had a vision relative to this, a hunch that [it] would be a meaningful experience for our executives, and he was right," Schuyler says. "It can only enhance your ability to design a work approach that engages and ultimately retains the workforce. People look for broader meaning in their jobs and, to the extent that our executives both show that they get it and in fact do get it, it can only help with the engagement of our workforce.

"This immersion experience, to use a familiar phrase, 'keeps it real,' " Schuyler adds. "Recognition and saying 'thank you' is the most-talked-about and least-delivered-upon area of management. Being able to understand everyone's role by actually helping with their job was the best way to understand how to say 'thank you.' That was a nice byproduct of this effort."

Hilton has been communicating to its employees through other means as well, such as surveys, quarterly town-hall meetings, quarterly newsletters and videos on employee portals to create a culture of engagement for all employees -- especially top performers.

"If an employer is going to listen to me during a downturn, why would I want to leave during an upturn as long as I feel like I'm fairly paid, feel like I have opportunities to learn and grow and develop, and as long as I'm having fun in my career and like who I work with and who I work for?" he says.

Schuyler, who only joined the hospitality industry a year and a half ago after a 20-year HR career in the finance, technology and professional-services industries, got his firsthand experience through the immersion program at the San Diego Hilton.

There, he not only learned how to book guests at the front desk, but also helped plate 5,000 chicken dinners and worked in the physically demanding laundry facility where massive amounts of sheets, towels and linens are washed, dried and folded every day.

"It was like watching a symphony come together," he says. "When you see something of that scale come together, when you see how people who are done with their part of the job pitch in to help everyone else, that was really inspiring to me."

**"Bring Back the Pizza"**

During the downturn, Ernst & Young (No. 41) was very strategic about what was kept and what was cut, especially when it came to engaging high performers.

"We decided we were not going to cut back on things like variable pay and high-performance bonuses," says Kevin Kelly, the Americas director of people for the financial services firm based in New York. "By keeping these things fully funded, we wanted to encourage high-performance behaviors throughout the year, not just at the end of the year."

Nonessential expenses were cut -- many suggested by the employees themselves. "There was a 'We are in the bunker together' mentality," says Kelly. However, now that the firm is seeing some "green shoots" in the economy, Kelly and Nancy Altobello, Americas vice chair of people, went on a 10-city listening tour, meeting with staff at all levels and asking employees what was important to them.

"In Mexico City, we got an earful on the need to make sure we reinforce the wonderful flexible culture there," he says. "Each city had a different flavor, but a lot of it [covered] the basics. People want to believe that they have access to leaders and that they are having the right conversations about how they fit into the bigger picture.

"The two things we're putting extra effort on now," Kelly adds, "are flexibility and fun -- and we're very serious about that."

Flexibility is about restructured work arrangements as well as flexible hours. The philosophy is that the professionals will get the job done, no matter what the clock says.

And by encouraging flexibility, the company hopes to avoid burnout.

On the "fun" side, Ernst & Young has been looking for ways to say "thank you," including through mini-celebrations.

"One thing we heard on the listening tour was 'Bring back the pizza,' " he says with a laugh.

Fun doesn't always mean frivolous, however. To encourage engagement both inside and outside the company, the firm challenged each location to create an EY Connect Day.

In San Francisco, for example, employees volunteered at the San Francisco Food Bank, packing more than 60,000 pounds of apples and other food, while other EY people participated in the Heart Walk and raised \$37,500 to benefit the American Heart Association.

Volunteers also served meals to the homeless and made bracelets for Casa de Las Madres' October domestic-violence-awareness initiative. After that event, the San Francisco managing partner, Lee Dutra, hosted all EY Connect participants at a Giants baseball game.

"The idea is to get into jeans and a T-shirt, and go out and connect with the wider community, connect with leadership and connect with each other," says Kelly. "People want to fit into the bigger picture."

Beatrice Grech-Combo, senior vice president of talent practice at Aon Hewitt in Chicago, concurs with EY's approach.

"The idea of having fun resonates with everyone," she says. "Fundamentally, it's a trust issue, a personal connection that's built through one-on-one relationships. I'm hearing clients talk about the more personal side, really having that more personal connection with employees. Leaders are buying into the concept more. One of the No. 1 concepts is that 'My manager knows me and understands what motivates me.' "

### **Managing, Educating are Key**

"We think that top talent is recession-proof, that our best people can get a job anytime they want, so we're looking at our talent-management strategy to be the same no matter what the economy is doing," says James

W. McGill, executive vice president and chief human resources officer at Eaton (No. 99), the global power-management-and-systems company based in Cleveland.

One of the best ways to retain the most talented people in the organization is to make sure their managers are well-trained and effective, and are empowering their employees by giving them the tools and flexibility they need to be effective in their jobs, he says. Eaton's annual employee survey is viewed as a report card on the management team's effectiveness.

Every group larger than eight people receives a survey report, indicating how employees feel their managers deal with performance issues, communicate, articulate vision and strategy, reinforce the company's ethics and, even, how they support the company's wellness initiative. The departments look for below-average results, analyze survey comments and do follow-up focus groups with their employees.

"From this, they identify two to three key things that will favorably impact the employees' engagement in their jobs," says McGill.

An example from his own backyard was the need to improve how Eaton develops and communicates its HR strategy to its HR professionals and how the HR strategy aligns with the overall business strategy.

Throughout 2010, the HR operation communicated the resulting strategy and vision through "fireside chats" with all HR managers worldwide in web conferences, town-hall meetings at the headquarters, orientation and at its HR managers' skills-development conferences.

"The net effect of all this," McGill says, "was an improvement in our employee engagement within the department to greater than the 90th percentile, a 7-point improvement over 2009."

To engage and boost top performers, Eaton University's Leadership Acceleration Program focuses on future leaders, and current middle management and senior managers. Teachers come from the ranks of Eaton's leadership as well as from outside.

"We take people who have a runway toward more senior jobs and get them in an appropriate leadership-development track," McGill says. Another "touch" was December's Talent Day: Top performers who company leaders did not yet know were invited for a coaching session in Cleveland (or by teleconference) with the chairman and other senior leaders.

"It's an experiment for us," he says. "We asked people to come in with a difficult problem from a leadership point of view. We focused on a teaching/mentoring [model] rather than just a meeting to 'get to know you.' "

Eaton's Organizational Capabilities Assessment process identifies top performers and creates development plans to ensure they are taking on the key roles and are given the right coaching to accelerate their development.

A formal monthly talent-review process in each of the operating groups reviews the plans and evaluates progress on the OCA plan, rotating the schedule through themes such as sales leaders, plant managers, research and development, and women in leadership.

Corporate universities can also help create top performers from within, at less than the cost of attracting new candidates. After years of gaining talent through acquisitions, for instance, AT&T (No. 16) is now turning inward to develop its own workforce with its new AT&T University.

"Typically, in a recession and down economy, training is the first thing to go," says Cynthia J. Brinkley, senior vice president of talent development and chief diversity officer for AT&T, based in Dallas. "It's been just the opposite here. We've ramped up efforts around identifying and developing our star players."

AT&T University is seen as a culture-driver within the company as well as a strategic platform for the new CEO, Randall L. Stephenson, to roll out and implement business imperatives.

By identifying top performers through the annual Organization and Talent review process, AT&T targets several groups for special engagement, says Brinkley.

The most senior group is made up of general managers, who were charged last year with tackling issues such as strategies for engaging business and residential customers as well as how to extend the AT&T brand to consumer-facing roles and activities in terms of specific company behaviors, rituals, protocols, and processes that the company should develop and adopt.

"We're driving engagement by getting the right individuals involved," Brinkley says.

Next is the Leading with Distinction training series, which targets the top few dozen second-level managers out of 50,000 worldwide, and brings them together to work on employee-related projects with top management; members are also promoted and rotated into other business units to get experience throughout the company.

For example, AT&T tasked second-level managers involved in the company's 10 nonprofit employee resource groups with finding ways to increase the value of the ERGs, which focus on projects such as scholarships and community service, to all U.S.-based employees.

This year, AT&T held a second all-ERG conference in Dallas, with AT&TU providing workshops and 100 officers conducting fireside chats with ERG members. "The levels of interaction were very dynamic," Brinkley says.

"In this day and time, in particular with people who have potential, part of it is letting them know they are valued and they're an important part of the business, and making sure they know they have a lot of opportunities," she says.

In 2009, CVS Caremark (No. 22) introduced the 18-month-long Leadership Forum, a companywide leadership-development curriculum for employees at the senior-director to vice-president level who are identified as high-potentials by their supervisors and HR leaders. It aims to provide them with a broad understanding of the business and how they can contribute to its strategic goals.

"The specific objectives of the program are to build and leverage cross-functional relationships, successfully address challenges impacting multiple lines of business, further advance the growth of our emerging industry and shape the CVS Caremark culture," says Lisa Bisaccia, senior vice president and chief human resources officer.

The program combines a series of face-to-face meetings (usually two to three days in length) with assignments and projects between sessions, all focusing on specific leadership-competency clusters. Examples include a financial-acumen session, hosted by the company's CFO and controller, focusing on a custom-built business simulation.

Another introduces participants to concepts around strategy, tools for developing strategy and applications via team projects that are potential strategic opportunities for CVS Caremark.

Through annual employee surveys, the company has found that program participants gave higher scores than other employees on eight key engagement measures, including feeling like an important part of the organization, that their work makes an important contribution to the company's success, and that it would take "a lot" to get them to leave CVS Caremark.

"We believe this is directly related to these colleagues feeling more knowledgeable about the business and more empowered to make a difference," Bisaccia says. "The result is particularly striking given that many companies have shown significant declines in colleague engagement in 2010."