TALENT MAGNET

HOW TO ATTRACT AND KEEP THE BEST PEOPLE



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HOW TO ATTRACT AND KEEP THE BEST PEOPLE





Bestselling author of Leaders Made Here and Chess Not Checkers



Berrett–Koehler Publishers, Inc. *a BK Business book*

Talent Magnet

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Berrett-Koehler Publishers, Inc. 1333 Broadway, Suite 1000 Oakland, CA 94612-1921 Tel: (510) 817-2277, Fax: (510) 817-2278

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Ordering information for print editions

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First Edition Paperback print edition ISBN 978-1-5230-9495-0 PDF e-book ISBN 978-1-5230-9496-7 IDPF e-book ISBN 978-1-5230-9497-4

2018-1

Production Management: Michael Bass Associates

Book designer: Julie Gallagher

Cover designer: Lindsay Miller

Dad, thanks for showing me how to live, and most importantly, how to love. Your influence will reverberate for generations! This page intentionally left blank

Contents

Introduction 1 The War for Talent 3 **Do Something** 9 **Top Talent** 15 Why Top Talent? 23 The Search 29 Huddle Time 35 Panning for Gold 39 More Than a Job 43 Diamonds in the Rough 51 Breakthrough 55 Risky Business 61 **Lesson Learned** 65 The Answer 71 Next Steps 81 A Better Boss 87

viii Contents

Why Not? 93 A Brighter Future 97 Validation 105 A Bigger Vision 115 Do It Now 125 Tell the Story 131 Launch 139 Celebrate! 143 Epilogue 149

Acknowledgments151About the Author153About the Research155



Increase the caliber of your players and you increase your chances of winning.

Because this principle is universally understood, finding and keeping the best people has become a preoccupation for many leaders. However, convincing talented people to join our organizations has only become more difficult in recent years.

Our never-ending quest for the most talented people has been made even more difficult by changing demographics, fluctuating employment statistics, increased competition, and shifting expectations. These forces have left many organizations with a critical shortfall of people. The effect: a virtual war for talent. The research, and the book you now hold were born in this context.

Given the growing need for talented people, my team wondered: *What is really required to attract "Top Talent?"*

What do you do when you have a question? You Google it. What do you do if Google doesn't know the answer? You either put your question in the "too hard pile" or find the answer for yourself. That's where we found ourselves. The answers at our disposal were somewhere between inadequate and nonexistent.

Our next step was to contact global thought leaders in the area of human resources—surely, they could tell us what attracts Top Talent. We were shocked time and time again after being told, "No one has done the research to answer your question."

Finally, with no credible answers readily available, we decided to commission the work ourselves.

After a ground-breaking, quantitative study focused specifically on what attracts Top Talent, combined with hundreds of face-to-face interviews with top performers and on-the-job ethnography, the chief insight, among many:

What attracts and keeps Top Talent is different from what attracts and keeps typical talent.

This book will not only clarify these differences; it can serve as a mirror for you and your organization. Are you really offering what Top Talent wants? If not, why not? And, don't be surprised if, along the way, you are challenged regarding how you see your role as a leader.

The War for Talent

"How could this be happening?" Blake thought.

He had just walked out of a meeting with his Human Resources team. They had informed him they would not be able to staff the company's near-term plans and suggested to Blake he reduce the organization's growth goals. They could see no way to find enough qualified people to hit their targets. The shortfall was large—and growing.

His team explained the elements of a perfect storm—a mix of economic, demographic, and competitive pressures all coming to bear simultaneously. The result: they had been thrust into the 'war for talent.'

Blake was not used to this type of news. Since becoming the CEO, his early decision to build a highperformance organization had paid huge dividends. All the outcome metrics had continued to climb. This new information could change everything. Blake knew people were central to their success. Suddenly, over the course of one short meeting, people had now become his greatest point of vulnerability.

Although the recommendation of his team was unexpected, if Blake was *totally* honest with himself,

the early warning signs of an impending storm had been in the air for months. A combination of his optimism, overdelegation, and busyness had prevented him from connecting the dots sooner.

A combination of his optimism, overdelegation, and busyness had prevented him from connecting the dots sooner.

As he reflected on what he had missed, he remembered losing several key people recently. More troubling, he recalled each of the top candidates for their replacements declined offers to join his organization. And, to make matters worse, he could also recall a few clues that their talent pipeline was looking more like a dripping faucet. For example, Blake wrote personal notes to new employees; he hadn't been asked to write as many in the previous months.

What Blake had once considered a Human Resources issue had now clearly become *his* issue. He couldn't help but wonder if perhaps he should have taken a bigger interest in this topic years ago.

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As Blake walked to his car, his thoughts shifted to the dinner he was about to attend. It was a peer-mentoring group—eight CEOs from a diverse set of businesses.

Tonight would be their first meeting. Potential discussion topics had been submitted in advance to the moderator. As he drove to the event, he wondered what the group would address. He had submitted three potential topics; unfortunately, staffing was not one of them.

Over dinner, the attendees engaged in casual conversation and introductions. In addition to ethnic, gender, and age diversity, these leaders represented industries from totally different sectors: high tech, manufacturing, retail, hospitality, construction, education, healthcare, and even a global nonprofit organization.

As dessert was bring served, Martha Livingston called the group to order. "Welcome," she said with a warm, inviting smile. "Thanks for agreeing to be part of this experiment. My hypothesis is simple: we can learn from each other. Tonight is our first opportunity to see if I'm right or not.

"As we discussed previously via email, we will address one topic per meeting. The objective is to share what we're learning about a given issue. Tonight, based on an overwhelming level of interest, we're going to talk about how to find and keep talented people."

Blake breathed a sigh of relief.

Martha continued, "I'll kick off the conversation. I've been in business for forty-five years, and this may be the biggest talent mess I have ever seen. If we can't crack the code soon, we're going to have to slow our growth plans."

Bart Elkridge nodded his head and agreed. "I can get people," he said. "People aren't the problem. It's the caliber of people I worry about. Ours is a complicated business. Not just anyone can, or is willing, to do the hard work we require."

I can get people. People aren't the problem. It's the caliber of people I worry about.

One by one the attendees spoke, each addressing the problem but no one offering any solutions.

"Hi, I'm Blake. It's been energizing to hear from each of you. I'm the least experienced guy here. I've only been in my role about a decade, and I've never seen the talent challenge this bad. But, here's my view: The world is still full of talented men and women. Some of you referred to them as A players. They still want to work and are eager to contribute. Why don't we go get them?"

Martha responded, "Blake, I love your spirit. That is why we're here—to find answers, not just to commiserate. What do you suggest we do?"

"I'm not sure. But I am committed to doing something," Blake said. Several others nodded in agreement. "I'm going to engage my staff to work on some potential solutions." "Haven't you done that already?" Betsy Roberson, head of the global nonprofit, asked.

"Not really," Blake confessed. "I knew it was an emerging issue, but until recently, I was unaware of the magnitude of the situation. Honestly, when Martha announced our topic for tonight, I was hoping one of you had already figured it out."

"Nope!" Bart laughed. "I was hoping the same thing. That's why it was number one on my list."

"No answers," Martha sighed, "but at least we had a good dinner."

"I know we agreed to address a different topic at each meeting, but could we talk about this again next month?" Blake asked.

"Only if you guys bring some solutions," Martha said in a tone that made the group feel they all had homework to do.

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At home, Blake's son Clint opened the handwritten letter. It arrived looking like the more than 7,000 miles it had traveled, dusty and crumpled on the edges. He knew immediately it was from his friend Baako—the primitive block letters composing the address were the final clue. The two had met on a school trip last spring.

Clint was only sixteen, but thanks to his father's influence and insistence, he already had done more than most his age. One of the adventures Blake had sponsored for his son was to travel to an emerging country. Blake's father had placed a high priority on global awareness and had done the same for him when he was a teenager. A consequence of this exposure was a level of compassion and empathy hard to get any other way.

As Clint read the letter, his eyes filled with tears.

"My little sister Amara died today. I wanted to tell you. She considered you a friend. They say it was the water that killed her. . . ."

Clint thought, "How can that be? The water? How is that possible?"

In an instant he remembered, there was *no water* in Amara's village. She walked several hours every day to find water. Clint's pain intensified when he realized she probably had carried the contaminated water that took her life.

He was angry, frustrated, and confused all wrapped up together. He knew he couldn't help Amara, but he also knew he had to do something.

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Blake was driving home from dinner with the CEOs when he received the call from Clint telling him about his letter from Baako and Amara's death.

"I understand. I know you want to do something. Of course, I'll help. Tomorrow's Saturday. Let's you and I go out for breakfast and talk about options."

C Do Something

The next morning, Blake was up before the sun. As he was thinking about how to best help Clint process his emotions, he remembered the pain he felt when his father died unexpectedly. Clint had never experienced the loss of someone he knew personally.

When they arrived at their local pancake house, they were given a corner booth surrounded by seventyfive years of memorabilia and fading photographs of former patrons.

"Do you know my dad and I used to eat here?" "Yeah, you told me the last time we were here." "Oh, did I tell you we had our *last* conversation here?" "No, I didn't know that. What did you talk about?"

"Leadership—and I think we're going to talk about the same thing today."

"We are?"

"Yep. We're going to discuss what you can do in response to Amara's death. I'm guessing the answer will involve leadership."

"Whose leadership?" Clint asked.

"Yours," Blake said. "What have you been thinking?" "First, I want to get a well for Baako's village." "Okay, sounds like a good start; then what?"

"I don't know. But I'm going to start with the well. I did a little research, and we can dig one for about \$8,000."

"Okay . . . ," Blake waited.

"I ruled out asking you and Mom for the money, and I thought my college fund was out of the question. However, I decided I don't have to do this on my own."

"I'm listening."

"I'm going to ask some of my friends to help." "What does that look like?"

"Initially, we're going to need to get jobs."

"Who is we?"

"Tyler, Olivia, and Alex. They don't know about Amara's death, but I've asked them to come over this afternoon. They were all there and saw the living conditions and I'm sure they will help. I've done some quick math—depending on where we work, and if we can get a few other contributors, we should be able to raise the money in just a few months."

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"What's up?" Alex said with a huge smile. He was the first to arrive at Clint's home. "I don't know if you've ever texted: 'We're having a meeting' before. I don't go to a lot of meetings." "Well, you'll find out more in a few minutes. We'll start when the others arrive," Clint said in a tone that reflected the weight he felt in his heart.

"Okay . . . others? Who else is coming?"

"I invited Olivia and Tyler, too."

"Cool. This sounds serious, though."

Before Clint could respond, the others walked in.

"Hey, guys," Alex said. "Didn't know you were coming to the *meeting*," he ribbed Clint.

"Well, it did seem odd," Olivia admitted. "It also seemed rather serious. Is everything okay?"

"No. I'm afraid not. Have a seat," Clint said.

"Are you sick? Do you have a disease?" Tyler asked.

"No, I'm fine—well, I'm not fine. Do you guys remember Baako and Amara?"

"Sure. Those two were amazing, and that was the trip of a lifetime," Olivia added.

"Well," Clint paused. "I received a letter yesterday from Baako. Amara is dead."

"No way! She was young—like our age!"

"What happened?" Olivia asked.

"The water," Clint said, without looking up. "The water?"

"Yeah, do you remember the water?"

"Not really," Tyler admitted.

"That may be because (a) there was *no water* in Amara's village, and (b) we were told not to drink the water they did have."

"Man, that's awful."

The group sat in silence. With tears rolling down her face, Olivia asked, "What are we going to do?"

"That's why I called this meeting," Clint said.

"What can we do?" Alex asked.

"I've been doing some research. The first thing I want us to do is buy a well for Amara's village," Clint said.

"You can do that?" Olivia asked.

"Yes—if you have the cash," Clint responded.

"How much?" Tyler asked.

"About eight grand," Clint said.

"Whoa, that's a lot of cash!" Tyler said in disbelief. "I know," Clint agreed.

"Any ideas on where we get that kind of dough?" Alex asked.

"Yes. We're all going to get summer jobs," Clint said in a matter-of-fact tone.

"Jobs?" Tyler said. "I've never had a real job."

"You're old enough to start," Olivia said.

"How do you go about getting a real job?" Tyler asked.

"That's the next item on our agenda," Clint said.

Over the next hour, the newly formed team identified more than a dozen places they might work. The list included many of the usual suspects for a summer job and a few outliers—a bakery, coffee shop, several restaurants, an appliance store, a pet grooming salon, two construction companies, a hospital, three clothing stores, a transportation company, and a school.

They divided the list based on interest and potential fit. Each would visit one prospective employer, learn what they could, find out if they were hiring, and report back to the group.

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At dinner, Clint updated his family on the plan to buy a well. Blake and his wife Megan pledged their support. Kristen, his sister and eighteen months his junior, said she wanted to help, too.

Clint also told the family about the businesses he and his friends were going to visit in search of their jobs. "We're going to check them out and meet again to compare our notes before we make our final decisions." This page intentionally left blank

C Top Talent

Monday morning, Blake called a meeting with the leaders from Human Resources.

"In our last meeting, you brought to my attention your concern and our challenge in finding enough qualified candidates to meet our growth projections. How are we doing on that front?" Blake asked.

Charles, the head of HR, spoke for the group. "Well, since it's only been two days since we met, the situation really hasn't changed much. We have continued to run the play. We're planning to attend a job fair this week, checking our online sources, and we did call a couple of professional recruiters."

"'Running the play' has run its course. It's not working. We need to call a new play," Blake said firmly.

"Do you have a new play in mind?" Charles asked.

"I think we need to go back to the drawing board and ask some different questions. Here are a few to get you started. . . .

"What is our people strategy? Who is our target employee? How would you describe him or her? I've heard you use the term 'Top Talent.' I'm fine with the term—let's just be sure we all agree on what it means.

"Next, what do they want in a job?"

"Who?"

"Top Talent," Blake responded.

"Well, we've never really asked them. We have our offer, our package—you know, fairly standard benefits: medical, dental, vacation, etc."

"We've already established whatever we're currently offering is insufficient or we wouldn't be in this mess. Here's the bottom line: I want to know what it would take for us to become a Talent Magnet."

Puzzled by the phrase, Charles asked, "What's a Talent Magnet?"

"A place so attractive, Top Talent will be standing in line to work here."

What's a Talent Magnet? A place so attractive, Top Talent will be standing in line to work here.

"Who are you referring to? Leaders, I assume," said Peggy, the junior member of the team.

"No, not exactly," Blake clarified. "I'm thinking more about individual contributors. Granted, many of these talented individuals may someday lead others, but I don't think that should be our focus." "Don't we know money is the ultimate Talent Magnet?" Gary, another of Charles's team members, asked.

"Sure, people want to make money. But I'm not sure money is the primary motivator for Top Talent," Blake said.

"What do you think it is?" Charles asked Blake.

"That's what I want you to figure out."

"Got it," Charles said. "We'll start by interviewing our own Top Talent. Why are they here? What attracted them?"

"Sounds like a good start," Blake said. "I have one more suggestion."

"And that is?"

"Interview the typical talent, too—men and women we might consider the B players. I think the magic may be found in understanding the differences between the two groups. We want to create an organization that attracts more Top Talent."

"A Talent Magnet," Charles affirmed.

"You got it," Blake said.

. . .

During the next week, Charles and his team began their search to answer Blake's question: *What does it take to create a Talent Magnet?* The work was divided into two segments: qualitative and quantitative. There would be interviews and an online questionnaire for both typical and Top Talent with the foundational question: *Why did you decide to work here*? The team not only wanted to know the answer to the question, but, as Blake suggested, they wanted to know if the attractors for Top Talent were different from typical talent.

Charles would conduct the initial focus groups personally. The first would be with some of the organization's brightest stars—both newcomers and longterm performers.

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After brief introductions, Charles began. "Thanks for coming today on such short notice. As you may have heard, we are trying to attract more people like you to join our organization. So, it seemed appropriate to ask you why you decided to work here. We know men and women of your caliber could have chosen to work anywhere.

"I want to start by asking you to think back to your last job. If you would, please tell us how working here is different from your previous employer. Now, don't be mean. No throwing rocks at your former boss." Everyone laughed.

A middle-aged woman named Carolyn spoke first. "At my former job, I was just a pair of hands. I understood the work needed to get done, but there was no opportunity to grow, improve, or advance. Just hit the numbers, and by the way, the numbers you need to hit are going up—again." Then, Rob, a younger man, said, "This is my first job, but I came here because of my perception of leadership. I had heard about Blake and the other leaders. Blake actually gave a presentation at my school. After his talk, he hung around and I had a chance to meet him. It seemed like he was a real genuine guy."

"How many of you knew something about the leadership here before you started?" A couple of hands went up. "Okay, thanks. What had you heard?"

"I had never met Blake, didn't even know his name, but my neighbor told me about one of the supervisors here—said he was a stand-up guy, really cared about his people."

"Anyone else care to share why you left your previous company?"

Stan, the oldest guy in the room, said, "It was always about the bottom line. I know companies have to make money. I want them to so we can stay in business. But really? Does it *always* have to be about cutting costs and boosting profits?

I got tired of it and left."

"So, why are you here? We want to make money, too," Charles probed.

"Yes, and I already said, I think that's good. However, this place does good way *beyond* making money. You know, all the things we do in the community. We give back. I think that matters—it's why I'm here." "Thanks, Stan. Let's hear from the rest of you. . . . "

For the balance of the session, Charles's questions zeroed in on what, specifically, attracted these talented men and women to the organization.

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The next group assembled was comprised of a diverse group of what the team called typical talent. These were not bad performers; on the contrary, they were good, steady contributors. These were the people some organizations would call their B players. Blake's suggestion to talk to them was about to pay off.

"Hi. For those I have not met, I'm Charles, the head of Human Resources. Thanks for taking a few minutes out of your busy day to have a conversation with me. As you know, and in large part due to your hard work, we are growing. The challenges of growth are numerous. One of them is attracting enough people to get the work done. That's what we want to explore today. What attracted you to work here?"

Charles did a masterful job asking one good question after another. The conversation flowed freely. There were clearly similarities between the two groups, but there were also stark differences. Some of the attractors mentioned by Top Talent were totally absent from the second conversation.

Although there would be more focus groups, based on these two alone, Charles felt Blake's instinct was correct. The attractors for Top Talent did appear to be different, but Charles wanted some additional input before he reached any final conclusions.

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To collect the hard data, Charles and the team created a list of potential attractors, many of which were identified in the early focus groups. They then built an online questionnaire so that employees could rank what they felt were the most compelling factors in their decision to join the company. He sent the survey to two groups: Top Talent, as identified by three consecutive years receiving the highest performance ratings; and typical talent, those whose ratings were consistently just below the Top Talent group.

The survey would be administered to both groups the following week. The team was anxious to see if the hard data would support the stories they were hearing.

To probe deeper, Charles contacted a dozen of his peers in organizations large and small across the country. He asked them if they wanted to do the online survey with their people. The response was overwhelming—almost all of them said yes.

This broader sample would help establish the validity of the hypothesis and remove the inherent bias of any single organization. The team was about to find out the truth about Top Talent. This page intentionally left blank

Why Top Talent?

Blake was eager to attend the next dinner meeting with the CEOs. Although the previous meeting had been relatively uneventful, he was optimistic. He knew these men and women were in their respective positions for a reason. He wanted to learn as much as he could from them.

After the normal pleasantries, Martha kicked off the conversation with a question.

"Who has a status report for the group? Who's had a breakthrough?" After a long pause, "No one? Certainly, someone has done something." Martha turned to Blake. "You were full of vim and vigor when we first met. What have you accomplished?" she asked.

"Well, we've defined the goal," Blake offered. "And?" Betsy asked.

"And, we're working on it."

"Doesn't sound like much progress to me," Bart said.

"Well, I understand why you would say that, and I wish we had accomplished more; however, I believe a problem well defined is half solved." "So, you think you know the problem? I do, too," said Sam Caldwell, the head of a small hotel chain headquartered in their town. "I need bodies; I can't find enough of them."

"That may be your problem, but it's not mine," Blake said. "Our problem is fundamentally different."

"I thought you were struggling to find people," Sam challenged.

"We are, but our problem is *not* finding bodies; we're looking for Top Talent. And the problem we're trying to solve is this: What will it take to attract them?"

"Top Talent sounds like a load of sh-. . ."—Sam caught himself—"crap; it sounds like crap to me," Sam said.

"Hold on!" Martha stepped in. Having known Sam for decades, she felt very comfortable confronting him. "Have you had too much to drink *already*? You're more rude than usual tonight. Listen to the young man."

"Thank you, Martha," Blake said. "I don't know what else to say, really."

"Tell us why you want Top Talent and not just any 'body,' as Sam put it," Martha suggested. "Wouldn't Sam's approach be easier?"

"First, am I alone here? Does anyone else want Top Talent?" Blake asked the group.

Several raised their hand.

"Thanks. That makes me feel a little better," Blake said. "Okay, let's try to explain to Sam why he may want to rethink his strategy and set the talent bar higher. Can we come up with ten reasons Top Talent matters?" Blake spotted a flip chart in the corner of the meeting room. He decided to capture the ideas from the group—he didn't know if he might need them to convince the skeptics in his own organization.

"Okay," Blake said, "ten reasons we would invest the time, energy, and resources required to go after Top Talent. . . ."

A spirited conversation followed and yielded the following list:



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