



HARRT AT UCLA

Best Practices for Recruiting and Retaining Talent

Faculty Moderator:

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Professor Emeritus of Management and Policy Studies, UCLA

Panelists:

Ed Eynon, SVP, Human Resources, The Cheesecake Factory

Steve Milovich, SVP, Corporate HR, The Walt Disney Company

Patty Pogemiller, National Managing Director, Deloitte Consulting

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by Erin Wilson

An engaging session at the October 2006 Annual Retreat of the Human Resources Round Table focused on the best practices for recruiting and retaining top talent. Archie Kleingartner, HARRT Founder and Professor Emeritus of Management and Policy Studies at UCLA, introduced the session and discussed the importance of intrinsic rewards and life interests in improving job retention. Job sculpting is critical in retaining employees – workers will stay at a company if there is a good match between their jobs and their deeply imbedded life interests, or what makes them happy and satisfied. Mentoring employees also plays an important role in retention.

A panel of senior executives, led by Ed Eynon (SVP, Human Resources, The Cheesecake Factory), provided best practices from their respective organizations. Mr. Eynon opened by mentioning several books, such as Jack Welch's *Winning* and Jim Collins' *Good to Great*, which have a consistent theme of the importance of hiring and retaining the right people. The panelists began a candid discussion, centered on how their respective organizations leverage company brand, culture, and employee work experience to recruit top talent.

Using distinguished recruitment processes in creative and positive ways has enabled them to identify talented employees who fit well in the organizations, thereby enhancing employee performance and engagement and leading to increased retention.

Leveraging Company Brand to Attract Talent

All three panelists mentioned the importance of positioning a company's brand in recruiting top talent. Steve Milovich (SVP, Corporate Human Resources, The Walt Disney Company) discussed the strength of Disney's brand and the difficulty in closing the gap between how consumers and employees feel about the brand. Disney used to have a reputation for being a tough place to work, but with strategic HR initiatives in place, Disney has since been able to start treating employees like consumers by meeting their needs and by providing individual value propositions.

With regard to Deloitte's brand, Patty Pogemiller (National Managing Director of Human Resources, Deloitte Consulting) indicated that there is confusion in the marketplace because Deloitte Consulting is part of the larger Deloitte & Touche organization. Ms. Pogemiller focuses on attracting the brightest and best candidates and making sure that what employees experience at Deloitte is similar to the services "sold" to them in the beginning. Mr. Eynon similarly expressed the strength and importance of his company's brand in recruiting talented employees into its high-volume restaurants.

Attractive Cultures Can Enhance Retention

In addition to brand, companies focus on creating a culture that will be both recognized by and attractive to talented individuals. At Disney, culture varies across its 83 business units, but Disney is nonetheless focused on becoming a talent-based and growth-centric organization. Mr. Milovich explained how managers at Disney meet with employees one-on-one to ask if the company is living up to its culture promise. He suggested using employee blogs to bring transparency to how employees feel and to connect with them further.

At Deloitte, culture is also used as a differentiator from other companies to attract talent. The culture at Deloitte is not a "coaching" culture – or telling employees what to do – but is instead focused on reducing turnover of top performers by providing mentoring relationships, development opportunities, and early leadership roles to employees. In a similar way, The Cheesecake Factory is focused on being a growth and labor-intensive company and has recently adopted more of a focus on talent. Unmotivated employees are "tossed out" while motivated workers are continuously inspired. According to Mr. Eynon, attracting and inspiring talent is everything in a company's ability to survive.

A Rich Experience Improves Engagement

Equally important in recruiting top talent is providing an enriching work experience to continually engage employees. Disney recently conducted its first company-wide employee satisfaction survey

of executives in 85 years. Results showed that employees at Disney feel empowered and engaged, most likely due to their ability to add responsibilities and take on more or blended roles.

Deloitte Consulting uses four differentiated HR models that act as specific job tracks for employees. These paths include traditional, specialist, associate (includes outsourcing and is project-based), and regional/global. Ms. Pogemiller also prides Deloitte on its development of career customization. This includes four basic dimensions, in which employees make and understand the tradeoffs of role, pace, location/schedule, and workload that adhere to their interests and provide a more flexible work system. Employees are placed in stretch assignments and are rotated through different opportunities to better engage workers. Likewise, The Cheesecake Factory works to align employees' jobs with what they like to do, which allows employees to enjoy greater job satisfaction.

Increased Fit Leads to Higher Performance

Leveraging brand, culture, and employee work experience helps companies recruit talented individuals and also increases the level of "fit" for employees in an organization. Fit was a consistent theme mentioned by all three panelists as critical to improving employee retention. As described by Mr. Milovich, fit is determined at Disney by a "de-selection" process. De-selection is a world-class selection process that looks for reasons *not* to hire applicants. In doing so, Disney selects employees who have life interests for the work with high levels of empowerment. Disney also ensures fit by having creative people hire other creative people globally.

With Deloitte's 7,500 employees in the U.S. and with turnover rates at 15.9%, the company constantly pays attention to hiring the right fit. It is very expensive to recruit but even more costly to train and retrain. To identify fit, Deloitte uses behavioral interviews and case questions with an emphasis on integrity. According to Ms. Pogemiller, Deloitte looks for team players with talent and potential, and the ability to think logically and solve problems. To increase the level of fit for employees at Deloitte, Ms. Pogemiller stressed the need to hire internationally, in addition to employing more women, Hispanics, and African-Americans, and to become educated about generations, such as Generation Y individuals who want to move up quickly in an organization.

The Cheesecake Factory also understands the importance of identifying fit. Mr. Eynon is focused on broadening the talent pool at The Cheesecake Factory by stripping back requirements and looking more for natural ability and potential rather than for skill and knowledge. Skill and knowledge can be learned and are not always indicative of talent. In addition to natural ability, Mr. Eynon identifies talent through positive attitudes, the ability to build long-term relationships, and having a clear view of what works and what does not.

Increased fit leads to higher employee engagement and performance, thereby solving many of the challenges of employee retention. At Deloitte, the consulting profession makes for a difficult lifestyle, and with new hires deployed immediately into the field, fit is extremely important to help reduce turnover. Retaining employees is also important when it comes to employees leaving – Deloitte works to ensure employees leave as “happy alumni” who will support the brand in years to come.

There is no question that recruiting and retaining top talent is challenging, but it is critical to the survival of an organization. HR executives at The Walt Disney Company, Deloitte Consulting, and The Cheesecake Factory understand the importance of the recruitment process with regard to talent, and have been able to manage their brands, culture, and employee work experience in innovative ways to attract the most talented employees. Doing so undoubtedly heightens employee fit and performance. With highly engaged employees, employee retention is increased, allowing for a stronger and happier workforce.

The Human Resources Round Table (HARRT) at UCLA is a network of academics and senior human resource executives representing the most prominent employers in Southern California. HARRT meets quarterly to examine contemporary issues and trends related to the strategy, scope, and leadership of HRM. More information can be found at www.harrrt.ucla.edu.