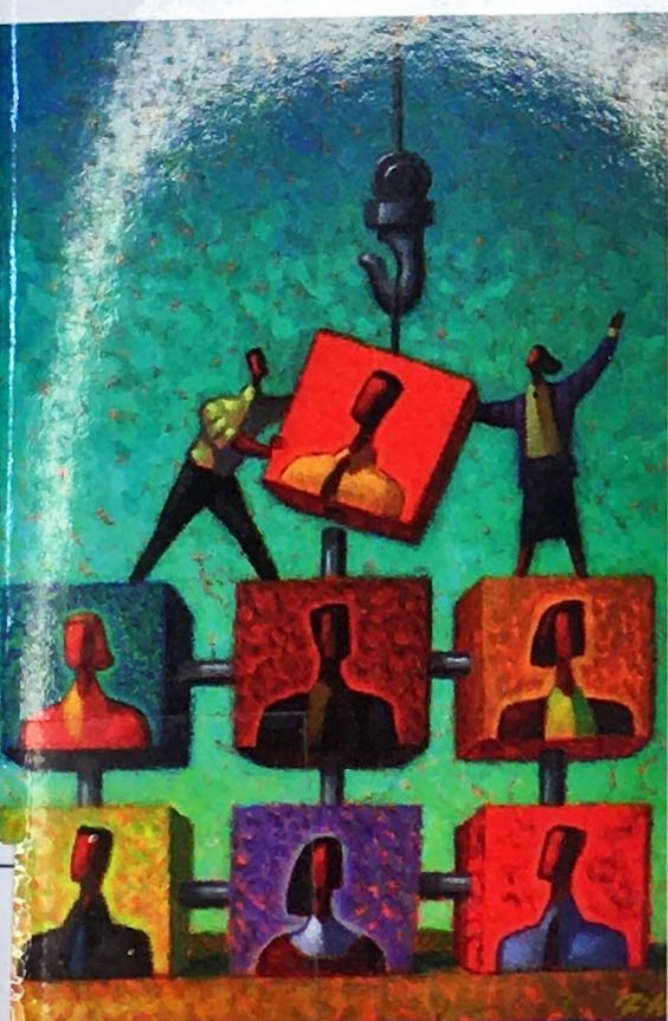


IDEAS WITH IMPACT

# Harvard Business Review

ON

# Talent Management



## **What It Means to Work Here**

Tamara J. Erickson and Lynda Gratton

## **"A Players" or "A Positions"? The Strategic Logic of Workforce Management**

Mark A. Huselid, Richard W. Beatty, and Brian E. Becker

## **Growing Talent as If Your Business Depended on It**

Jeffrey M. Cohn, Rakesh Khurana, and Laura Reeves

## **Make Your Company a Talent Factory**

Douglas A. Ready and Jay A. Conger

## **How to Keep "A Players" Productive**

Steven Berglas

## **Managing Middlecence**

Robert Morison, Tamara Erickson, and Ken Dychtwald

## **Off-Ramps and On-Ramps: Keeping Talented Women on the Road to Success**

Sylvia Ann Hewlett and Carolyn Buck Luce

## **It's Time to Retire Retirement**

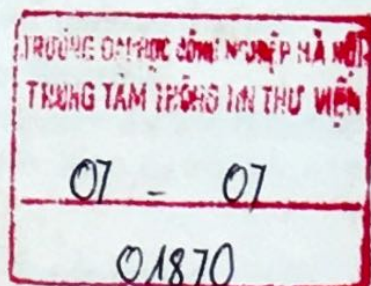
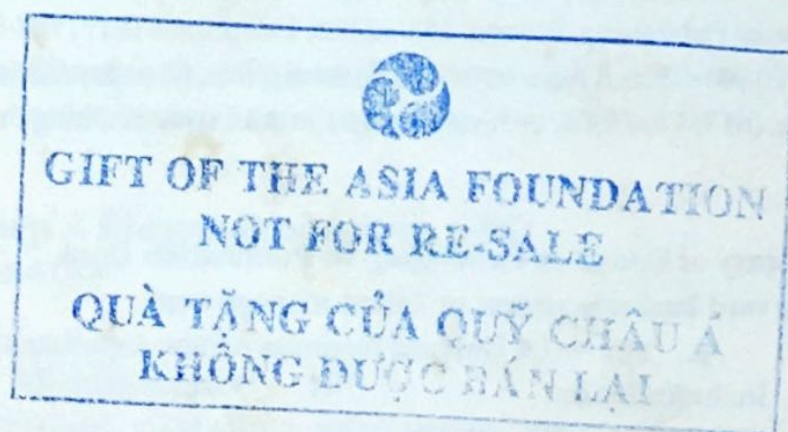
Ken Dychtwald, Tamara Erickson, and Robert Morison

HARVARD BUSINESS PRESS



# Harvard Business Review

ON  
TALENT MANAGEMENT



A HARVARD BUSINESS REVIEW PAPERBACK

Copyright 2008

Harvard Business School Publishing Corporation

All rights reserved

Printed in the United States of America

12 11 10 09 08 5 4 3 2

No part of this publication may be reproduced, stored in or introduced into a retrieval system, or transmitted, in any form, or by any means (electronic, mechanical, photocopying, recording, or otherwise), without the prior permission of the publisher. Requests for permission should be directed to [permissions@hbsp.harvard.edu](mailto:permissions@hbsp.harvard.edu), or mailed to Permissions, Harvard Business School Publishing, 60 Harvard Way, Boston, Massachusetts 02163.

The *Harvard Business Review* articles in this collection are available as individual reprints. Discounts apply to quantity purchases. For information and ordering, please contact Customer Service, Harvard Business School Publishing, Boston, MA 02163. Telephone: (617) 783-7500 or (800) 988-0886, 8 A.M. to 6 P.M. Eastern Time, Monday through Friday. Fax: (617) 783-7555, 24 hours a day. E-mail: [custserv@hbsp.harvard.edu](mailto:custserv@hbsp.harvard.edu).

#### Library of Congress Cataloging-in-Publication Data

Harvard business review on talent management.

p. cm. — (A Harvard business review paperback)

Includes index.

ISBN-978-1-4221-2294-5

1. Personnel management. 2. Employees—Recruiting.  
3. Manpower planning. I. Harvard business review.

HF5549.H34425 2008

658.3—dc22

2007046191



# Contents

## **What It Means to Work Here 1**

TAMARA J. ERICKSON AND LYNDIA GRATTON

## **A Players or A Positions?**

### ***The Strategic Logic of Workforce Management* 23**

MARK A. HUSELID, RICHARD W. BEATTY, AND  
BRIAN E. BECKER

## **Growing Talent as If Your Business Depended on It 43**

JEFFREY M. COHN, RAKESH KHURANA, AND LAURA REEVES

## **Make Your Company a Talent Factory 63**

DOUGLAS A. READY AND JAY A. CONGER

## **How to Keep A Players Productive 85**

STEVEN BERGLAS

## **Managing Middlescence 107**

ROBERT MORISON, TAMARA J. ERICKSON, AND  
KEN DYCHTWALD

## **Off-Ramps and On-Ramps:**

### ***Keeping Talented Women on the Road to Success* 129**

SYLVIA ANN HEWLETT AND CAROLYN BUCK LUCE

## **It's Time to Retire Retirement 155**

KEN DYCHTWALD, TAMARA J. ERICKSON, AND  
ROBERT MORISON

# **What It Means to Work Here**

TAMARA J. ERICKSON AND LYNDIA GRATTON

## **Executive Summary**

WHAT DISTINGUISHES A COMPANY that has deeply engaged and committed employees from another one that doesn't? It's not a certain compensation scheme or talent-management practice. Instead, it's the ability to express to current and potential employees what makes the organization unique. Companies with highly engaged employees articulate their values and attributes through "signature experiences"—visible, distinctive elements of the work environment that send powerful messages about the organization's aspirations and about the skills, stamina, and commitment employees will need in order to succeed there.

Whole Foods Market, for example, uses a team-based hiring and orientation process to convey to new employees the company's emphasis on collaboration and decentralization. At JetBlue, the reservation system is



run by agents from their homes, a signature experience that boosts employees' satisfaction and productivity.

Companies that successfully create and communicate signature experiences understand that not all workers want the same things. Indeed, employee preferences are an important but often overlooked factor in the war for talent. Firms that have engendered productive and engaged workforces address those preferences by following some general principles: They target potential employees as methodically as they target potential customers; they shape their signature experiences to address business needs; they identify and preserve their histories; they share stories—not just slogans—about life in the firm; they create processes consistent with their signature experiences; and they understand that they shouldn't try to be all things to all people.

The best strategy for coming out ahead in the war for talent is not to scoop up everyone in sight but to attract the *right* people—those who are intrigued and excited by the environment the company offers and who will reward it with their loyalty.

---

**I**T'S THE HR EQUIVALENT of keeping up with the Joneses: In their quest to find and retain top talent, businesses often try to match competitors' offers, ensuring that their compensation schemes, health care benefits, training programs, and other talent-management practices are in line with the rest of the industry's. While this strategy may be useful for bringing job candidates to the door, it's not necessarily the most effective way to usher the right people across the threshold—great employees who will be enthusiastic about their work and fiercely loyal to the organization and its mission.



Nor does marching in lockstep with industry standards prompt companies to consider what's unique about their histories and values or potential employees' attitudes about work. Certainly, reasonable pay and a breadth of health care options matter to prospective hires, as do the tasks they'll have to perform. But people also choose jobs—and, more important, become engaged with their work—on the basis of how well their preferences and aspirations mesh with those of the organization.

Imagine yours is one of three job offers a talented candidate is mulling over. She hears a little about the orientation program at each firm. At your company, the first three months are probationary: As a new hire, the candidate would work closely with an assigned team, and when 90 days are up, the team members would vote on whether she stays or goes. Management won't have the final say. At the second company, the candidate would work on a series of fast-paced, creative projects during her first three months, under the close scrutiny of senior management. At the end of that period, she'd be expected to find a project that matched her skills. In the third company, the new hire would undergo intensive training during the first three months, learning the organization's well-defined ways of doing business; after that, she would apprentice for an extended period with one of the firm's strongest performers.

None of these orientation experiences is inherently better than the others; the prospect will pick the company whose entry program most closely reflects her own values and preferences. If she loves risk and can put up with ambiguity, she might relish the challenges and the pace of the second company but would probably be miserable with the constraints of the third. If she enjoys collaborative work, she might gravitate toward your company.



These examples underscore the importance of employee preferences in the war for talent. Unfortunately, they are often overlooked. What truly makes good companies great is their ability to attract and retain the right people—employees who are excited by what they're doing and the environment they're operating in. Such people are more likely to be deeply engaged in their work and less likely to chase after slightly better salaries or benefits. They will find ways to satisfy their own preferences and aspirations while meeting the organization's need to come up with creative and productive solutions to business problems. Their commitment becomes contagious, infecting customers and prospective employees. Indeed, engaged employees are the antithesis of hired guns rotating in and out of critical roles—they're productive for the long term.

You won't find and keep such individuals simply by aping other companies' best practices or talent-management moves, however. You need to be able to tell new and prospective hires what it's like to work at your company, to articulate the values and attributes that make working at your firm unique. You need to provide a "signature experience" that tells the right story about your company. In the process, you'll empower the people who share your values and enthusiasm for work to self-select into your firm, thereby creating the foundation for highly productive employee-employer relationships.

## **Bringing Distinctiveness to Life**

A signature experience is a visible, distinctive element of an organization's overall employee experience. In and of itself, it creates value for the firm, but it also serves as a powerful and constant symbol of the organization's cul-



ture and values. The experience is created by a bundle of everyday routines, or signature processes, which are tricky for competitors to imitate precisely because they have evolved in-house and reflect the company's heritage and the leadership team's ethos.

The concept of signature experiences grew out of organizational research we've conducted during the past five years. Initially, we looked closely at companies with highly engaged employees (as measured by workplace surveys and other tools) and set out to compile a checklist of the common practices these businesses used to foster enthusiastic, committed, mission-aware employees at all levels. Surprisingly, their approaches to talent management varied greatly. For instance, some firms paid well above the mean while others paid below it. Some boasted highly flexible, self-scheduling work groups; others featured more structured, "all hands on deck" environments. The companies' underlying philosophies about the employer-employee relationship also varied, from paternalistic to hands-off.

The more we looked, the more we realized that the variation in practices was not just noise in the system; it was, in fact, a critical element of the companies' ability to achieve high levels of employee engagement. (See the insert "Elements of Engagement" at the end of this article.) These organizations excel at expressing what makes them unique. They know what they are, and it's not all things to all people. They understand their current and future employees as clearly as most companies understand their current and future customers. They recognize that individuals work for different reasons and accomplish tasks in different ways. And they demonstrate what they are vividly, with stories of actual practices and events, not through slogans on the wall or



laminated values cards on every desk. As a consequence, these companies hire people who easily and enthusiastically fit in, and thereby cultivate a more committed workforce. To understand how these companies attract, engage, and retain the right kind of talent, let's take a closer look at the three signature orientation experiences we described earlier.

### **WHOLE FOODS MARKET**

The first signature experience—team-based hiring—is similar to the orientation experience at Austin, Texas-based Whole Foods Market. Potential hires are informed that each department in each store (meat, vegetables, bakery, and so on) comprises a small, decentralized entrepreneurial team whose members have complete control over who joins the group. After a four-week trial period, team members vote on whether a new hire stays or goes; the trainee needs two-thirds of the team's support in order to join the staff permanently. This signature experience is in line with Whole Foods' profit-sharing program. Thirteen times a year, the company calculates the performance of each team. Members of the teams that do well receive up to \$2 per hour extra in their paychecks. That bonus pay is explicitly linked to group rather than individual performance, so team members choose their trainees carefully—they want workers, not buddies. This entry into the company undoubtedly weeds out lone wolves and conveys a strong message about the firm's core values of collaboration and decentralization. This signature experience seems to be working: Whole Foods has appeared on *Fortune's* list of the 100 Best Companies to Work For nine years in a row.



## **TRILOGY SOFTWARE**

The second orientation experience described earlier—trial under fire—is patterned after the signature experience at Trilogy Software, a rapidly growing software and services provider also based in Austin, Texas. New employees go through an exhausting three-month immersion process, a sort of organizational boot camp, in which top management, including the CEO, oversees their every step. In the first month, new recruits participate in fast-paced creative projects, in teams of about 20, under the mentorship of more-experienced colleagues called section leaders. In the second month, the project teams are shuffled and split into smaller “breakthrough teams” charged with inventing product or service ideas, creating business models, building prototypes, and developing marketing plans—all in hyperaccelerated fashion. In the third month, the recruits have to demonstrate their capacity for personal initiative. Some continue working on their breakthrough teams; others find sponsors elsewhere in the company and work on their projects. Upon completion of the program, candidates undergo rigorous evaluation and receive detailed feedback on their performance from colleagues, section leaders, and senior management. The new hires are sent to different parts of the organization, but the bonds they develop during this extreme orientation period remain strong throughout their careers.

Trilogy’s signature orientation experience serves as the company’s primary R&D engine: Recruits’ projects have produced more than \$25 million direct revenues and have formed the basis for more than \$100 million in new business. The experience also serves as a proving ground for Trilogy’s next generation of leaders: the