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TALENT MANAGEMENT, EMPLOYEE RETENTION AND ACQUISITION

Employer and Employee Perspectives Differ

We have seen numerous books, articles and podcasts that analyze the challenges of talent management today and particularly, attrition. Since Covid, the remote or hybrid workplace has been at the center of much of the discussion relative to attrition in some geographic areas. The return to the workplace has been accomplished to larger or lesser extents based upon other external factors. In a September 28, 2021, article entitled “Great Attrition or Great Attraction”? The choice is yours,” the McKinsey contributors succinctly identify more complex factors impacting attrition: “... employees crave investment in the human aspects of work.” The article identifies these aspects as:

- Renewed and revised sense of purpose in their work.
- Social and interpersonal connections to colleagues and managers.
- A sense of shared identity.
- A sense that they are valued.

On the other hand, employers identified inadequate compensation, looking for a better job and poor health as important factors in attrition. The disconnect is evident!

There is much more to the attrition story than time spent in the workplace although, that remains a factor in many companies and locations. I recently had a conversation with a major company CEO who described some of the challenges of a return to work on a five day per week basis or, at least a consistent schedule of days in the office. Attendance tends to be greater, perhaps 35-40% from Tuesday through Thursday, 25 % on Monday and 10% or less on Friday. The business needs to be serviced consistently, five days per week, so the increased rate of absence on Fridays and Mondays does not lead to consistent levels of service throughout the week. In addition, external factors, like safety and covid rules associated with a specific geography and personal lifestyle changes have seriously impacted the return to the office. He expressed concern that his business is an “apprenticeship” business that requires heavy interpersonal interaction among the various levels of experience within the teams and that career development would be impaired.

I grew up in an industry that was built upon the “apprenticeship model” which embodies the concepts of mentorship, collaboration and teamwork which are the terms in use today. For much of my career, “the office” was the hub of business activity and blended with visits to brokers and clients. I engaged with colleagues and leadership on a regular basis and formed strong personal and business relationships. Many of these relationships endured throughout my career and helped me enable the businesses in which I worked. I recognize that I am talking about a specific segment of roles and that the same dynamics do not apply universally throughout most organizations. Consequently, the analytical methodology companies use to stay engaged with their employees and gain their feedback regularly is critical to understanding the myriad of issues confronting employees in a complex society. Based upon role, gender, geography, and personal circumstance, “one size fits all” is not the answer.

Sustainable Talent Management Strategy

Talent acquisition and retention should be part of the long-term sustainability strategy of a company. A series of “knee-jerk” reactions to turnover does not constitute a strategy. Predictive analytics have been utilized across many functions in industry, particularly in the area of consumer preferences. Predictive analytics should play a role in both talent acquisition and retention. The bedrock of a successful strategy rests in a clear understanding of what the key success factors are in a company and why people like working in the company. What specific problems in retention or acquisition need to be resolved? One of the foundations for building an effective acquisition and retention model is understanding the level of employee engagement that currently exists within a company.

An ongoing employee engagement strategy is essential to effectively manage talent. Part of the process involves anonymous surveys of employee attitudes and concerns as well as their perceptions of their management and the organization. As this data is collected and modeled according to the employee demographics in the population it can reveal what employees value most, and least, within their roles, department, and organization. The data will provide input into improving employee satisfaction and retention and insight into recruiting strategies. It will also offer insight into a meaningful value proposition for the company. Employers must look at employees in the same manner that they look at customers. When consumer surveys focus on why a product is purchased and what products are preferred, it is synonymous to an employer saying, “what do we have to offer and employee and why do that want to work for us”. Businesses constantly focus on product and service differentiation and should extend the same type of thinking to employee retention and acquisition. This approach may be difficult for some companies since it will require a more empathetic and compassionate view of the employee and relevant needs, ambitions and desires.

“EQ”-Importance of Emotional Intelligence

Talent management is not just an analytics exercise. It requires a leadership and management team with an increasingly high level of “EQ”-emotional intelligence. This is a concept that has been with us for several decades and was defined by Daniel Goleman in “Emotional Intelligence: Why It Can Matter More Than IQ”. When I was introduced to EQ about a decade ago, it forced me into a period of introspection relative to how I perceived myself and related to those around me, personally and professionally. In many ways it was a transformative experience. EQ is not something that just relates to managers but also extends to how employees treat each other, collaborate and forge partnerships within the organization.

EQ is critical to talent management and many companies embarked upon the journey over the past decade. However, the past two years have placed more pressure on organizations to deal empathetically with employees. Covid negatively impacted society in general and introduced the challenges of remote work and hybrid work into the management equation. While these were not new issues per se, they never impacted the broad range businesses and services to the extent caused by Covid. Social and

economic issues that occurred concurrently with Covid and continue also make talent management more complex. A successful talent management strategy must be a blend of employee engagement, connectivity, flexibility and analytics in order to build a talent management strategy that is a mosaic reflective of the needs of current and prospective employees and the business. Those needs are not mutually exclusive.

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Ralph Mucerino
Principal
RPM Strategy and Management Consulting LLC

About the Author:

Ralph Mucerino began his professional insurance career with The Travelers and joined AIG in 1979. He held several roles in the Domestic Brokerage Group earlier in his career including Senior Vice President of Commerce & Industry and Senior Vice President of American Home and National Union where he was responsible for several business units and operations. During a distinguished forty-one-year career with American International group, Ralph led multiple diverse businesses which highlighted his leadership, vision, creativity, adaptability, and emotional intelligence. In 1996, he assumed the CEO role for the Africa-Middle East Region. He then relocated to Japan, where he served as President of the Far East Region, AIG's largest general insurance operation outside of the United States. In November 2008, he was appointed Chief Operating Officer of AIU for the company's international businesses. During his career, Ralph had a wide range of roles in both consumer and commercial insurance, including multiple regional management roles for domestic and overseas businesses, multiple product manager roles in commercial and consumer insurance, multiple leadership roles in distribution, marketing and client management and leadership positions in reengineering of AIG's overseas businesses. Mr. Mucerino retired in October of 2020 as Senior Vice President of AIG.