

WINNING THE WAR FOR TALENT






Unleashing Organizational Attractiveness through High-Performance Strategies

This Quick Insight explores how organizations can win the talent war by enhancing their attractiveness through High-Performance Strategies. The article sheds light on the current challenges in the talent landscape, such as the growing skills mismatch and shrinking workforce. It highlights that High-Performance Organizations (HPOs) are inherently more appealing to top-tier talent. A new metric for organizational attractiveness is introduced, focusing on the time it takes to fill 'bottleneck vacancies.' The article also provides actionable strategies for increasing an organization's appeal, including fostering innovation and enhancing employee development. This is an essential read for business leaders, HR professionals, and policymakers interested in fortifying their organizations by attracting the best talent.

This article is a managerial summary of: de Waal, A. (2022), "Measuring Organizational Attractiveness", International Journal of Management and Applied Research, 2022, Vol. 9, No. 1.



KEY TAKEAWAYS

-  **Current Talent Landscape:** The competition for talent is at an all-time high due to a growing skills mismatch and shrinking workforce. Organizations need to enhance their attractiveness to appeal to potential employees and keep current employees.
-  **High-Performance Organizations (HPOs) & Attractiveness:** HPOs, defined by factors like superior management quality, openness and action orientation, long-term orientation, continuous improvement and renewal, and employee quality, are inherently more attractive to top-tier talent.
-  **New Metric for Attractiveness:** The time it takes to fill 'bottleneck vacancies' is proposed as an objective measure of an organization's appeal to potential employees. It turns out there is a strong positive relation between how high performing an organization is and the length of the 'bottleneck vacancies fulfillment time'.
-  **Strategies for Enhancement:** To become more attractive, organizations should boost innovation capabilities, strengthen improvement capabilities, increase management's focus on performance, and enhance employee development.
-  **Roadmap to Winning the Talent War:** Becoming an HPO enhances an organization's attractiveness, helps to win the talent war while fortifying competitiveness and ensuring long-term growth. Attracting talent is therefore not just an HR issue, but integral to organizational success.



Understanding Today's Talent Market Landscape

The race for top talent on the global labor market has never been more intense. Although the COVID-19 pandemic paused this fierce competition for a short period, the race resumed its frantic pace as two megatrends coincided. One is the ever-widening "skills mismatch" – the gap between the current workforce's skills and those required for future jobs. The other is the workforce shortage, especially in the Western world, due to aging populations and the baby boomer generation entering retirement. As the pool of qualified candidates shrinks, organizations must up their game to lure talent, which brings us to the concept of "organizational attractiveness."

Decoding Organizational Attractiveness

To secure the best talent, organizations must enhance their attractiveness in the eyes of potential employees. The best talents naturally gravitate towards organizations with a strong, positive reputation and prestige. This "employer attractiveness" can be boosted by various instrumental factors (like attractive salaries, nice fringe benefits) or symbolic factors (prestige, reputation). However, most studies on organizational attractiveness view it as a collection of attributes, thereby missing a holistic approach to enhancing an organization's appeal. Additionally, these studies rely on subjective measures, making it challenging to objectively evaluate their impact on potential employees' willingness to apply for a job at the organization. Our research proposes a novel, more objective method for measuring organizational attractiveness.

Linking HPOs and Attractiveness

Research has shown that organizations classified as high performing are more attractive to potential employees. The HPO framework provides a holistic perspective on an organization's functioning. An HPO is one that achieves significantly better results than its peers over an extended period by focusing on what matters most to the organization. The framework incorporates five key factors:



THE 5 STRANDS OF SUCCESS



- **HPO factor 1: management quality.** HPO managers focus on encouraging belief and trust from their employees in them. They value loyalty and live with integrity; they treat their employees respectfully and maintain individual relationships with them. HPO managers are highly committed to the organization and have a strong set of ethics and standards. They are supportive and help employees in achieving results, and also hold them accountable for these results. HPO managers are role models for the rest of the organization.
- **HPO factor 2: openness and action orientation.** HPO managers value the opinions of employees and always involve them in important business and organizational processes. Making mistakes and taking risks are always permitted in an HPO, as these are considered valuable opportunities to learn, to develop new ideas and to exchange knowledge in pursuit of collective improvement.
- **HPO factor 3: long-term orientation.** For an HPO, long-term commitment is more important than short-term gain. Stakeholders of the organization benefit from this long-term orientation, and are assured that the organization is maintaining mutually beneficial long-term relationships with them. HPO managers are committed to the organization, and new positions are filled from within the organization. An HPO is a secure and safe workplace where people feel free to contribute to the best of their ability.
- **HPO factor 4: continuous improvement and renewal.** An HPO has a unique strategy that makes the organization stand out in its sector. It is responsive to market developments by continuously innovating its products and services, thus creating new sources of competitive advantage. An HPO ensures that core competencies are retained in-house and non-core competencies are outsourced.
- **HPO factor 5: employee quality.** HPO employees are flexible and resilient, as they are trained (through formal training courses and on-the-job) and encouraged to achieve extraordinary results. As a team, they are diverse and, therefore, complementary, enabling them to deal with all types of issues and generate sufficient alternative ideas for improvement.



An organization can evaluate its HPO status by conducting an HPO Diagnosis. During this diagnosis, management and employees complete the HPO questionnaire comprising questions based on the 35 HPO characteristics underlying the five HPO factors. The individual scores are converted to average scores on the HPO factors for the complete organization. These average scores indicate for which HPO factors and HPO characteristics the organization needs to implement improvements to become an HPO.

A New Measure of Attractiveness: Bottleneck Vacancies Fulfillment Time

Rather than relying solely on the subjective opinions of current employees, we propose using the average time to fill 'bottleneck vacancies' as an objective measure of organizational attractiveness. This metric measures the time between posting a hard-to-fill job vacancy and hiring a new employee for that job. Filling these vacancies quickly is indicative of an organization's appeal to prospective employees.

Testing the Hypothesis

To test our hypothesis, we conducted a study among organizations in Flanders, one of Belgium's three regions. Flanders was chosen because of its scarcity of talent on the job market there, an issue even before the COVID-19 pandemic. Moreover, the region is experiencing aging population and a talent drain due to young professionals leaving the region after their studies.

Findings: Link Between High Performance and Talent Attraction

Our research results supported our hypothesis: we found that HPOs fill their bottleneck vacancies more

quickly than non-HPOs! Therefore, by becoming a high-performance organization, a company enhances its attractiveness considerably in the labor market.



Strategies for Becoming More Attractive

With our hypothesis validated, the question then arises: how can organizations become more attractive? Or rather, what should companies do to become HPOs and thus attract the best talent? Our study suggests four areas where organizations, particularly those in Flanders, should focus:

- 1. Boost Innovation Capabilities:** Prior research shows that creative SMEs in Belgium experience an employment growth that is almost double the sector average. Increasing innovation capacity is thus essential for sustainability and competitiveness. When discussing this attention point, the following questions need to be answered: What is the "elevator pitch" of the organization?, What are the core competencies of the organization ... and are these the right ones for the chosen strategy?, and How can innovation be made a structural process in the organization?
- 2. Strengthen Improvement Capabilities:** Organizations need to focus more on the efficiency and effectiveness of their improvement efforts. When discussing this attention point, the following questions need to be answered: How can the organization achieve better prioritization?, How can the organization subsequently ensure that it sticks to the chosen priorities?, and How can the organization ensure that everybody is focused on results instead of effort?
- 3. Increase Management's Focus on Performance:** In a medium performance-oriented culture like Belgium's, it is vital to encourage a stronger focus on achievement and results. When discussing this attention point, the following questions need to be answered: Are the managers of the organization the HPO leaders of tomorrow?; If not, how can they become that?; and How do the managers of the organization become more professional in giving feedback to employees and to each other?



- 4. Enhance Employee Development:** A decade ago, Flemish organizations lagged in stimulating employee development and talent management. Despite several government initiatives to address this, more work is needed. When discussing this attention point, the following questions need to be answered: How can managers in the organization involve their employees more?; How can people in the organization learn more from each other?; How can the organization successfully become and stay a “learning organization”?; and How can the organization offer more opportunities to employees so that they stay longer?

Conclusion: A Roadmap to Winning the Talent War


In the intensifying talent war, our research has uncovered the correlation between HPOs and talent attraction. Highlighted by quicker filling of bottleneck vacancies, HPOs inherently appeal to top talent. To enhance their attractiveness, organizations must adopt HPO principles: exceptional management quality, openness and action orientation, long-term stability, continuous innovation and renewal, and employee development. Consequently, becoming an HPO emerges as a strategy not only to win the talent war but also to fortify competitiveness and ensure enduring growth. The talent war is therefore not just an HR issue—it is integral to organizational success.





ARE YOU READY TO TRANSFORM YOUR ORGANIZATION INTO AN HPO?

It all starts with insight, obtained through an **HPO diagnosis**. This diagnosis shows you how your organization—or even just a specific department—scores on the success factors of High Performance Organizations. You will receive development points/improvement themes that can be tackled by managers and employees together. The HPO diagnosis acts as a mirror, in which you honestly look at your organization (or part of it) and yourself: how far are we on the path to becoming an HPO? It helps you identify the 'hard nuts to crack': the focus areas that need to be addressed to realize your strategy and become an HPO. You determine your current level (the starting point) and use this as a basis to measure the effectiveness of the HPO transition. It also strengthens the 'sense of unity' within your organization: by identifying and addressing shared, supported improvement themes.

Achieving or maintaining the status of an HPO comes with a range of financial and strategic benefits for everyone involved: the organization, the customers, and the employees.

 **Customer Focus:** An HPO is invaluable to its customers. The primary goal is to boost customer value and satisfaction.

 **Employee Engagement:** Aiming for high performance re-energizes your team. It leads to increased job satisfaction as HPOs concentrate on what genuinely drives organizational success. It's not a new project; it's a new mindset and approach to work.

 **Adaptability:** An HPO is designed to evolve. It thrives in our ever-changing, competitive world, making your organization more resilient and future-proof. This is achieved through ongoing adjustments, learning, and improvements.

Our Offer

- ✓ Customized **HPO Diagnoses**
- ✓ Interactive **Lectures and Workshops** on the HPO Framework
- ✓ Comprehensive Interviews, **Articles, Books**, and Networking Opportunities
- ✓ Guidance in Implementation Led by our **HPO Experts**



Why choose the HPO Center?



Experience & Credibility

With over 15 years of practical experience combined with rigorous scientific research, the HPO Center is at the global forefront of organizational improvement advice.



Global Knowledge Center

Based in the Netherlands, the HPO Center collaborates with partners, including in emerging markets, with the aim of fulfilling its mission to improve organizations worldwide.



Unmatched Expertise

HPO doesn't stop at diagnosing organizations. We also explore, investigate, and delve deeply into related topics such as High Performance Leadership, Silo-busting, Futurizing, Social Value Creation, and High Performance Business Ecosystems—evidence of our commitment to continually expand the HPO universe.



More than Just an Organization

With a passion for inspiring, stimulating, and networking, the HPO Center is not just an organization; it's a movement. Through scientific and professional publications (all freely available at hpocenter.com and www.hpocenter.nl), books, seminars, and roundtables, we continually disseminate the knowledge of the HPO Framework and unite professionals interested in continuous improvement and excellence.

Considering an HPO transformation?

The HPO Center is ready to support and guide you on your journey toward high performance. Contact us today for an inspiring conversation or to experience an HPO workshop. Together, we'll redefine your performance.



HPO Center

Oude Enghweg 2
1217 JC Hilversum
The Netherlands

Telefoon: +31 (0)35 603 7007

Email: schreurs@hpocenter.com

Website: www.hpocenter.com

Contact: Marco Schreurs

