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**RESPECT**

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# Talent Reality Challenge

Directions: For each scenario, choose the best course of action for the leader.

## Scenario 1: Retaining Top Talent

*Your high-performing project manager is being recruited by another company offering a 20% salary increase. She has requested development opportunities.*

### Options:

1. Offer a 10% salary increase.
2. Provide leadership training and offer her a stretch assignment.
3. Assign her to a larger project without a raise or development.
4. Let her leave.

## Scenario 2: Selecting Talent

*Jerry is a VP in the process of hiring for an AVP position. He has narrowed the pool to four candidates – 3 internal and 1 external*

### Options:

1. Candidate 1: Dedra is one of Jerry's managers with two years' experience. She is a quick learner and her team likes her. However, Jerry notices that she often appears overwhelmed and doesn't always follow through on commitments.
2. Candidate 2: Greg is also one of Jerry's managers with five years' experience. He is technically sound but struggles with people skills. He has a higher-than-normal turnover rate on his team.
3. Candidate 3: Cheryl is an AVP in another department with five years' experience. She is looking to move to another department because she and her newly appointed VP do not see eye-to-eye but she would like to stay with the airport.
4. Candidate 4: Terrence has been a successful AVP with another airport for nearly 7 years. Although the move would be lateral, he feels he has reached his growth potential in his current employer and is seeking new challenges.

# Talent Reality Challenge

Directions: For each scenario, choose the best course of action for the leader.

## Scenario 3: Underperforming Team Member

*An influential team member with a specialized skill set has been underperforming for almost a year, missing deadlines and impacting team morale.*

### Options:

1. Reassign the employee to a different role.
2. Have a direct conversation with the employee clearly stating consequences if their performance doesn't improve.
3. Terminate the employee.
4. Match the team member with a mentor.

## Scenario 4: Team Recognition

*Your team has worked tirelessly to meet an important deadline.*

### Options:

1. Thank each team member individually.
2. Bring cupcakes to the next team meeting and express your appreciation.
3. Send each one an Amazon gift card.
4. Thank each team member, recognize them for demonstrating a core value, and add a note to mention this effort in upcoming performance reviews.

## Scenario 5: Burnout

*Multiple team members have reported feeling overwhelmed by their workload. Productivity is declining.*

### Options:

1. Reduce workload by hiring temporary support staff.
2. Ignore the issue and expect the team to push through.
3. Hold a meeting thanking everyone for their dedication and encourage them to take advantage of wellness programs and mental health resources.
4. Meet with small focus group and listen to their concerns.

# Developing Talent ROI

## Costs:

### 60–70% of total operating expenses = people

(salary, benefits, training, turnover)

- In service industries: 70–80%+
- In knowledge-based businesses: often >80%

### Fully loaded cost of an employee:

- Salary + benefits + taxes + overhead = 1.25x–1.4x base salary

### Cost of replacing an employee:

- 50–200% of salary depending on role (SHRM, Gallup, Bersin)
- Executive roles: often 2–3x salary

### Productivity loss during replacement:

- New hires take 6–12 months to reach full productivity (Bersin)
- Teams lose collective output, not just the individual

### Voluntary turnover drivers:

- Gallup: 70% of engagement variance = manager quality
- Meaning: leaders—not pay—are the primary retention lever

### Disengagement cost:

- Globally: \$8.8 trillion lost productivity (Gallup)
- That's ~9% of global GDP

### High performers leaving hurts disproportionately:

- Top 20% of performers often drive ~80% of value creation



Organizations obsess over optimizing the 20% of spend (equipment)...while underperforming on the 70% that actually drives results.

## Returns:

### ICF (International Coaching Federation):

- Median ROI: 7x return on coaching investment

### Bersin / Deloitte:

Companies with strong learning cultures are:

- 92% more likely to innovate
- 52% more productive
- 56% more likely to be first to market

### Gallup (development + engagement):

Highly engaged teams see:

- 21% higher profitability
- 59% lower turnover
- 41% lower absenteeism

### Internal mobility (LinkedIn research):

- Employees stay 2x longer at companies that invest in development

## Low Engagement Costs:

*\$8.8 trillion lost globally (Gallup)*

Higher:

- Turnover
- Errors
- Burnout
- Healthcare costs

Lower:

- Innovation
- Accountability
- Ownership

## High Engagement Wins:

**+21%** higher profitability

**+18%** higher productivity (sales)

**+23%** higher profitability in some studies

**+10%** higher customer loyalty

**-59%** lower turnover

**-41%** lower absenteeism

**-64%** fewer safety incidents

**-28%** less shrinkage (theft, errors)

# Developing Talent ROI



Developing internally saves 50–75% vs. hiring externally

## THE COST COMPARISON

<b>External Hire</b>	<b>Internal Development / Promotion</b>
<p data-bbox="172 709 342 741"><u>Hard Costs:</u></p> <ul data-bbox="188 789 716 1020" style="list-style-type: none"><li>• Recruiting, search fees, ads: \$4K–\$20K+ per hire</li><li>• Time-to-fill: 30–60+ days (lost productivity)</li><li>• Onboarding + ramp time: 6–12 months to full productivity</li></ul> <p data-bbox="172 1068 331 1100"><u>Risk Costs:</u></p> <ul data-bbox="188 1148 680 1262" style="list-style-type: none"><li>• Mis-hire risk: 30–200% of salary</li><li>• Culture mismatch</li><li>• Higher early turnover</li></ul>	<p data-bbox="865 709 1036 741"><u>Hard Costs:</u></p> <ul data-bbox="881 789 1409 982" style="list-style-type: none"><li>• Training + development: typically \$1K–\$5K per employee annually</li><li>• Time to Productivity:</li><li>• Immediate or significantly faster (already knows systems, culture)</li></ul> <p data-bbox="865 1068 1024 1100"><u>Risk Costs:</u></p> <p data-bbox="865 1148 1377 1220">Much lower (known performance + cultural fit)</p>

# Talent Lifecycle



## Attract

Best Practices:

## Select

Best Practices:

## Develop

Best Practices:

## Engage

Best Practices:

## Retain

Best Practices:

# GROW for Strengths and Interests



## GOAL

### Goal Questions

- What do you aspire to do?
- Where in your current role do you want to grow?
- If you could pursue a different position within TruEnergy, what would that be?
- What contribution would you like to make to TruEnergy?



## REALITY

### Reality Questions

- What do you enjoy doing?
- What do people ask for your help with?
- What skills/experience have you developed in previous roles?
- What have been some of your favorite work experiences?
- What education/certifications do you have?
- Outside of work, what do you enjoy doing?



## OPTIONS

*Explore formal training, relationships, and experiences. Remember the 70/20/10 development rule - 10% formal training, 20% relationships, and 70% experiences*

### Options Questions

- What formal learning opportunities would be helpful? (training certifications, conferences, etc.)
- What relationships would be helpful (mentoring, peer group, etc.)
- What experiences would be helpful? (job shadowing, projects, meetings, etc.)



## WAY FORWARD

### Way Forward Questions

- What are your next steps (specific, measurable, achievable, relevant, and time-bound)?
- What could get in the way?
- How can I support?

# Session Ten: March 26, 2026

## Application

You can find all LEAD resources at:

Leadership: <https://yellingroup.com/truenergy-leadership-resources>

Foundations: <https://yellingroup.com/truenergy-foundations-resources>

### I commit to:

### The team commits to:



Engagement doesn't just improve culture — it improves every metric leaders care about.