



White Paper

Value Creation
Through Talent
Retention:
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Culture

Value Creation through Talent Retention: Building a Strong Organizational Culture

By Angela Hamilton, Managing Director, ZRG Consulting Solutions and Charles Rohaut, Managing Director, ZRG Executive Search

Given the persistent global challenges of business performance, productivity, and employee engagement, it's no surprise that attracting and retaining talent remains the number one internal focus area for CEOs globally.

While this finding is nothing new, pressures on costs, skills shortages, and changing expectations of work from younger generations in particular are making talent retention harder than ever.

In this article we will look at the key factors that influence retention, then share a case study of how building a strong organizational culture enables you to keep hold of your talent, and the commercial value you create by being an employer of choice.

What drives retention?

There are five key factors that underpin how you engage and retain talent:

01 Confidence in Leadership

Your people must have confidence that your organization is well led. This includes having a clear purpose, vision, and stability of performance that contributes to trust in leadership and a sense that employees are part of a winning team.

02 Opportunities for Growth

Employees have a positive view of their opportunities to learn, grow, and develop their skills and capabilities within your organization

03 Equitable and Fair Pay

People want to feel they are valued appropriately, and there is a healthy balance between their rewards and contributions.

04 Empowerment and Influence

Employees seek authority that matches their responsibilities and autonomy to shape how their work is done.

05 A Success-Driven Environment

This is about frictionless and efficient work processes, free-flowing communication, and collaboration that empowers people to perform at their best.



These five factors contribute to a strong company culture – one that fosters inclusivity, and where employees feel respected, valued, and part of one team. In these cultures, leaders act first but eat last, achievements are recognized, and feedback is encouraged.

How is culture created?

At ZRG, we know that culture is created through the unspoken messages people receive about what is valued. Messages about culture come from different channels:

- **Behaviors:** What is role modeled – meetings, conferences, emails, and interactions with others.
- **Systems:** Planning and budgeting, performance review and reward, measurement, and reporting.
- **Symbols:** How budgets are allocated and spent, promotions, exits, offices, and titles.

Sutro Biopharma Case Study

Sutro Biopharma is a clinical-stage company focused on the discovery and development of cancer therapeutics. Having expanded rapidly, the business faced a key moment in its growth trajectory where it needed to codify its culture.

Bill Newell, CEO, Sutro, said: “I love that our company has a strong sense of purpose, which is based on delivering benefits to our patients. That is at the core of what we do, it’s our North Star, and it knits us all together.



“But I knew early on that to bring this purpose to life, and to align our people behind it, Sutro needed core principles that were easy to understand and communicate.”



01 Core principles as foundational to culture

The company created four core operating principles to underpin the culture it wanted. These were:

- 1. Collaboration and Execution.**
- 2. Respect and Engage.**
- 3. Integrity and Dependability.**
- 4. Diversity, Equity, Inclusion, and Belonging.**

Under each, it clarified what that principle meant at Sutro, and detailed the visible behaviors.

“Be specific. Be clear on what you expect. And then follow it up,” said Bill.

“Sutro’s purpose is ‘Dedicated to our patients and changing the future of oncology,’” added Linda Fitzpatrick, Chief People & Communications Officer, Sutro. “This has been at the heart of our culture since the beginning, and our people feel a deep sense of belonging to this. That makes a big difference here.”

Intentional and Accountable

Committing principles to paper is one thing. But to embed them, you need to communicate them consistently, be intentional about what you want, and hold people accountable.

Sutro engaged extensively with its employees on its principles, what they were and the role they played, and they are now embedded in its internal communication drumbeat.

Moving beyond this, it has provided tools, training, and support to help people behave in alignment with its principles, as these elements can often be overlooked in culture change.

Crucially, its leaders have prioritized accountability to reinforce culture.

“Ultimately, if an employee has demonstrably not been a good fit for us at Sutro, we’ve had to take hard decisions,” said Bill. “For example, we had a talented scientist here who didn’t fit with our culture. It takes courage to make those tough calls, but the company was stronger after they left, and their team flourished.

“So that willingness to hold people accountable shows everyone you’re serious about your culture, which really helps you keep your employees who’ve bought into it.”

Sutro promotes its purpose and principles across its communication channels, making it clear to candidates what they can expect from the company, and what it expects in return.

02 Systems

As well as embedding its principles through its onboarding, learning and development, and performance review systems, Sutro has established a simple but impactful peer recognition program. The program allows employees to call out colleagues for collaboration, who are rewarded with a Starbucks gift card. Employees who receive multiple recognitions throughout the year are called out at an All Hands Meeting to receive prizes in front of the whole company.

“People want to get called up to the front of the room,” said Bill. “We’re reinforcing that recognition matters in our culture, that we want to make our people feel good about the work they do, and the value they add.”

03 Symbols

Sutro’s internship program is a powerful symbol of its culture in action. Bill takes an active role in meeting and greeting interns, explaining the company’s purpose and principles to them, and bringing to life what it means by diversity, equity, inclusion, and belonging.

Bill spending his time with interns is not just a symbol of how important Sutro believes culture and its people are, it’s also about leadership role modelling.

“I believe it's important for me to be front and center in articulating the importance of our principles,” he said. “If the CEO isn't personally engaged and doesn't make the time to do that, it's easy for those to just become words on a website.”

Employer of choice

Sutro has been named as one of the Best Places to Work by BioSpace. This recognition reflects the fact that its employee turnover is less than 3.5 per cent per year, its employees are vocal ambassadors of the company’s culture, and there is a strong correlation between its proclamations and behaviors.

“Our culture is a critical reason why people join, and stay with us,” said Linda. “It comes up in onboarding surveys, engagement questionnaires, performance reviews. Even in exit interviews, people talk about the culture as a key feature that attracted them, and kept them with us. It really is a recruiting tool for us.”

So keen is Sutro to ensure they deliver on their cultural promises, that Linda personally check in on new recruits a few months into their roles.

Linda added: “I’m pleased to say I’ve never had somebody say, I thought I was getting X and you're giving me Y. They know who Sutro is when they interview, they come here because they feel drawn to our culture, and we walk our talk. If you do a bait and switch, you're not going to keep people long.”

Culture creates value

Organizations with top quartile cultures post a return to shareholders 60 per cent higher than median companies, and 200 per cent higher than those in the bottom quartile. A key source of this value is talent retention, which leads to reduced costs, increased engagement, and higher productivity.

“Biotech CEOs who actively shape and reinforce company culture during tough market conditions help their organizations remain resilient, innovative, and focused, ultimately increasing the likelihood of weathering the storm and emerging stronger. More than ever, patient centricity and a solid sense of mission and purpose help biotech companies stay focused on the goal of improving patient health,” said Charles Rohaut, Managing Director, ZRG Executive Search.

“Sutro has shown that when you lead from the top, weave culture into every fiber of your organization, and are consistent day in day out, it creates tremendous value,” added Angela Hamilton, Managing Director, ZRG Consulting Solutions.

About Walking the Talk Methodology



30 years in culture

We know what works and what doesn't based on solid experience and the latest thinking in behavioral science



Methodologies tested and refined

Our methodologies are effective, practical, trainable, and straightforward to understand and adopt



Powerful language to create change

Our practical and do-able core concepts create an integrated experience of culture change at all levels



Thought leadership

We've shaped global thinking on what culture is today and continue to shape it through our future of work research series.



Deliver improved performance

We've learned how to use culture to enable clients achieve their business imperatives



Sustainable result

Our proven tools and methodology build internal culture management capability



Our team

100+ Active Associates and Global services team members



Our capability

We build true internal capability to lead, manage and support culture which makes our contribution sustainable. We teach you to fish rather than providing food!

Powered by
WALKING THE TALK METHODOLOGY

ZRG Consulting Solutions helps clients make culture their performance superpower.

We are world leaders in culture transformation; our proven methodology enables organisations to put their culture to work in helping achieve their strategy.

Make Culture Your Superpower Unleash Your Performance

Contact us to find out more about how culture transformation and management can help you achieve your business goals.

consulting@zrgpartners.com

