



Book Keeping the People Who Keep You in Business

24 Ways to Hang On to Your Most Valuable Talent

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Recommendation

If you are fed up with recruiting, training and motivating new employees only to see them ride off into the sunset, you probably need to re-think some of your basic approaches to running your business. You can emerge a winner in the now fully joined war for great talent - the inevitable collision of a low unemployment rate with the corporate world's growing need for skilled workers. Management consultant Leigh Branham has written a lively, thorough guide to keeping great employees. Her book, which is a pleasure to read, is filled with plenty of sound, usable advice and examples from large and small companies. No matter what your industry is or how big your company might be, her guidance is likely to help you keep your best people longer. *BooksInShort* recommends this book to executives and managers. Read it before your competition does.

Take-Aways

- Employees are frequently on the move, leaving to work for other companies.
- Employees leave for many reasons, not just salary issues.
- Frequent turnover cost companies millions of dollars in annual losses.
- A war for talent is on, since the unemployment rate is low and organizations have a growing need for good workers.
- Employees want respect, autonomy, challenge and meaningful work.
- If you remember these human factors you have a greater chance of keeping employees.
- Twenty-four strategies can help you keep good employees at all levels.
- Be a company that people want to work for.
- Select the right people in the first place, and get them off to a great start.
- Coach and reward good employees to sustain their commitment to your organization.

Summary

The War for Talent

The days of employees staying in one place for their entire careers are long over. Employees are on the move, looking for better opportunities. Some leave for more professional or creative freedom, some for money, others for that elusive goal of greater job satisfaction. Whatever their motivation - and often it's because they don't feel well treated - frequent turnover costs companies millions of dollars. The war for talent gives employees unprecedented opportunities and, thus, more incentives to leave. Employees want more than money. They want respect, autonomy, challenge and the feeling that their work is meaningful. Employers often overlook these very human factors. Remember them, and you stand a greater chance of keeping your employees, particularly if you use the following strategies.

Create a Company Where People Want to Work

Companies can build reputations as being somewhere that people want to work. These firms don't just claim that "people are our most important asset," they back that up with a corporate culture of commitment that includes:

1. A give-and-get-back philosophy.
2. Measuring what counts and paying for it.
3. Inspiring commitment to a clear vision and definite objectives.

"It isn't easy to accurately assess an applicant's natural abilities, but the art and science of employee selection has advanced to the point where it can be taught."

People want to work for Charlotte, N.C., printer Wilton Conner because he cares enough about his employees - and his company's long-range profitability - to provide some very special services. These include an on-site laundry, free company cafeteria meals, inexpensive handyman services at employees' homes by company janitors, nurse educators to explain health benefits, free English classes for non-English speaking employees and car pools.

Select the Right People in the First Place

Bad hires are the reason that 20% or more of the workforce performs badly. Failure to hire the right people is why only 50% of new hires last even six months. Try the following:

1. Redesign the job itself to make it more rewarding.
2. Define the results you expect and the talent you need.
3. Ask the questions that require proof of talent.
4. Give a realistic job preview.
5. Use multiple interviewers and reference checking.
6. Reward employees' referrals of successful new hires.
7. Hire and promote managers.
8. Hire from within when possible.
9. Creatively expand your talent pool.

"Since it isn't realistic to expect to retain good people forever, smart companies are looking to stay connected with their former employees."

Often companies mistakenly hire for experience and expertise rather than talent, or they hire in a hurry, or by "gut" feeling alone. Sometimes companies try to find a rescuing "superman," or they hire in their own image or to satisfy office politics. None of these strategies work.

Most companies conduct exit interviews, though fewer than 30% follow up on them. About half feel that their exit interviews aren't effective. Exit interviews should focus on, "Why did you leave the company?" and should use questions based upon the employee's responses.

Get Them Off to a Great Start

One study reports that 50% to 60% of employees change jobs in the first seven months of employment and that as soon as they are hired, they begin looking for better opportunities. You only have one chance to make a good impression, so follow these tips:

1. Give new hires the red-carpet treatment.
2. Communicate how their work is vital to the organization's success.
3. Get commitment to a performance agreement.
4. Challenge early and often.
5. Give autonomy and reward initiative.

“Hidden opportunities can be found in companies of all sizes, especially when they are growing. But when employees become dissatisfied, they all too often start looking outside in 'knee-jerk' fashion before checking out the inside possibilities.”

Nordstrom department stores have mastered the art of making employees feel important, right from the beginning. Nordstrom's is well known for impeccable customer service, which stems from the freedom it gives sales associates to make on-the-spot-decisions. One employee helped iron shirts a customer had bought at another store so that the customer could get to an appointment on time.

“Today's hiring mistakes are tomorrow's turnovers - it's as simple as that.”

Bookminders, a Pittsburgh firm that does weekly bookkeeping for businesses, gives employees more autonomy by letting them work at home. Overhead is low and so is turnover. Charles Schwab has designed a new employee job-rotation program called "Wings," in which new hires choose a series of short-term assignments before applying for permanent positions within the company. Data Processing Resources Corp. of Newport Beach, Calif., helps new employees find housing and cars, and learn their way around town. Quick Solutions sends gourmet gift baskets to the homes of new employees. Sun Microsystems assigns all new employees a buddy, called a "SurVisor."

Coach and Reward

Good employees often leave because of management's failure to:

- Establish a link between employee-performance and reward.
- Help employees perceive career growth and advancement opportunities.
- Keep employee goals aligned with team and organizational goals.
- Make employees feel valued and appreciated; treat them with respect.
- Confront non-performance.
- Give the employee a manageable, sustainable workload.
- Allow, create and encourage a fun and spirited environment.
- Provide useful feedback and professional coaching.

“Do you know what turnover is costing your organization?”

Management often fails at performance coaching because of the fear of giving feedback. Managers who are reluctant to give feedback often fear confrontation, hurting someone's feelings or giving the wrong counsel. Many managers have no time for coaching, have never been coached and are given little incentive to coach.

“Keeping the right people involves doing many small things that also serve to enhance performance, motivation and job satisfaction. You might call these practices and ideas 'the leading edge of common sense'.”

The process of giving feedback can be very effective if the feedback is immediate, specific, accurate and corrective. Feedback should confirm that the company values the person's contribution, encourage good work and be based on actual performance, not hearsay.

To sustain employee commitment, your company needs to:

1. Proactively manage the performance agreement.
2. Recognize results.
3. Train managers in career coaching and expect them to do it.
4. Give employees the tools for taking charge of their careers.
5. Know when to keep an employee and when to let one go.
6. Provide more fun!

Lighten Up

Fun should be an aspect of work. Herb Kelleher, CEO of Southwest Airlines has said, "There's no reason that work has to be suffused with seriousness. Professionalism can be worn lightly. Fun is a stimulant to people. They enjoy their work more and work more productively."

"For years companies said they paid for performance when they really did not."

But before you can expect your employees to lighten up, you'll need to lighten up yourself. Workplace fun doesn't necessarily need to be planned. Most of the fun in the workplace is spontaneous. As a manager, you don't have to make the fun happen, just let it happen. Don't discourage laughter; that will only create a repressive atmosphere. Be reasonable. Allow the fun to be a part of the workplace, as long as it doesn't distract from getting things done. You'll find that allowing a bit of fun will enhance productivity.

"Peter Senge, author of *The Fifth Discipline*, believes that 90% of the time, what passes for commitment is compliance."

Wilson Learning Co. gives each employee a Mickey Mouse watch after three months of employment as a reminder to enjoy working for the company. Linda Miles, president of her own seminar planning firm, treated her six-woman staff to pedicures, an award that's now known as Happy Feet Day.

Merle Norman Cosmetics sponsors an Employee Night every other Saturday at its container manufacturing facility. They show first-run movies and employees can each bring up to six friends. After the movie, they make free ice cream sundaes. Bank of America sponsors a one-month Laugh-A-Day challenge in which each employee tries to make co-workers laugh daily with cartoons and jokes. Winners receive T-shirts and books of the best jokes and cartoons. First Chicago Bank gives out "Felix-and-Oscar" awards to the employee with the neatest and messiest work areas.

Selective Retention

Selective retention is planning to keep the right people. You probably can already identify your most valuable employees. Consider which of them may be at risk, meaning which may be more likely to leave than others. To identify at-risk talent, look at the following:

- Length of service. More employees leave during the first year or after three-to-five years.
- Whether they are paid below market and if their skills are considered hot in the market.
- How often they've changed employers in the past.
- The people-management ability of their manager and the quality of that relationship.
- The availability of new challenges and learning or advancement opportunities.
- The possibility they may be experiencing a personal crisis.
- The degree to which they appear to be engaged and committed.

"Recruiters report that it takes much longer to fill openings than in years past, and one search firm reported that top executives may spend 11 or more hours per week on recruiting."

Do whatever it reasonably takes to keep at-risk people from looking for a position with another company. If you're not sure what their employment needs and desires are, simply ask them.

Goodbye

Managers can be quite reluctant to fire an employee, even when it’s necessary. Most managers know in three weeks, or often sooner, when they have made a hiring mistake, but it generally takes three months (sometimes even longer) before they decide to correct it, because:

- They’re embarrassed to admit they made a bad hiring decision.
- They feel guilty about making the bad hire and can’t release their initial high hopes.
- They feel guilty that they didn’t make performance expectations clear.
- They dislike any form of confrontation.
- They know they haven’t done a good job of giving performance feedback and coaching.
- They haven’t documented coaching efforts and fear legal action.
- They dread having to go through the time and cost of replacing the employee.
- They’re afraid they’ll mishandle the termination meeting.

“Frequent communication with your top performers will provide you with early warning of any disillusionment or dissatisfaction they may be feeling.”

Firing is a skill you can learn to use if you have to, but savvy hiring and management can make firing unnecessary.

About the Author

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