

By Tom Kosnik

Attracting and retaining high-quality employees through a myriad of innovative techniques is quickly becoming the one sustaining strategy for many staffing firms that will keep them in the game. That's right! Not being a low-cost provider. Not being customer intimate. Not being a specialty niche. Being a high-quality employee magnet will become the sustaining strategy in the near future.

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Even if the labor market was not tight, attracting and retaining high-quality employees will still become a critical sustaining strategy for every company. There is plenty of research to support this concept. We have all heard the battle cry from Jim Collins' well-researched book *Good to Great*: "Get the right people on the bus and the wrong people off the bus, and then figure out what to do."

Robert Kaplan and David Norton brought us *The Balanced Scorecard* as a result of years of study and data collection. Their research shows that "learning and growth" is one of four dynamics that separate out the growth firms from the non-growth firms. Are your employee's skills better this year than they were last year? Are you a leader in employee retention? To be an employee retention leader, your company must create long-term employee growth and improvement.

This issue of finding and keeping people is an issue for staffing firms of all sizes. Matt Fenton, president of Oxford Solutions, a technical staffing firm producing less than \$10 million in annual revenues says, "We have looked, and all we are finding is the bottom of the barrel." Wayne Williamson, president of WillStaff Worldwide, a full-service staffing firm with around \$200 million in annual revenues says, "The shrinking labor force is affecting everyone." Lastly, Craig Knudson, CEO of Bank Force, and a member of California's State Association says, "Recruitment, and it applies to every sector in the industry, is the number one issue."

This task, this strategy, of attracting and retaining high-quality employees is an arduous puzzle. If you are a small business, defined by the government as 300 employees or less, this task can become insurmountable. The staffing industry is heavily populated with "Mom and Pop" shops. Staffing Industry Analysts states that 91% of the firms in the staffing industry are generating less than \$10 million in annual revenues. How can these firms compete in attracting and retaining high-quality employees?

Love 'Em or Lose 'Em

Beverly Kaye and Sharon Jordan-Evans wrote a book titled *Love 'Em or Lose 'Em: Getting Good People to Stay*. This quick read is loaded with concepts, words of wisdom and to-do lists around the concept of retaining employees. Thoroughly researched, Kaye and Jordan-Evans collected data from companies of all sizes and shapes.

Most small-business owners and managers of business units have their plates overflowing. Let's see, what hat do I need to wear now? Oh yes, it is the collections hat, or the sales hat, or the finance hat. It is endless and not uncommon for small business leaders and managers to simply forget many of the smart management tasks that keep employees engaged in the organization.

Kaye and Jordan-Evans encourage owners and managers to start by "asking employees why they stay or what would keep them." We typically assume way too much. In the staffing industry, we generally assume that employees stay because they want to make a lot of money. We assume that

employees leave because they were not making enough money. These assumption need to be validated by asking the current employees. Small-business owners and managers are generally surprised at their employee's responses to the question of why they stay.

Non-monetary things like meaningful work, growth opportunities, a challenging career and good old recognition go a long way in retaining high-quality employees. I have heard it said that "active listening" is the highest form of recognition. Sitting down with an employee or a small group of employees and listening to their concerns and needs speaks volumes. Not difficult to do, just time consuming.

The list of employee retention ideas is quite lengthy. Offering great training, showing respect, setting goals, understanding from your employee's perspective, being a mentor, telling the truth, holding employees accountable to results and having passion for the management job are just a few.

If you read this resource, you will quickly see that the core underlying thought of this book is that high-quality employees want good leadership and good management. In fact, good leadership and good management is the thing that keeps employees committed to the organization.

First, Break All the Rules

Marcus Buckingham and Curt Coffman published an extremely enlightening book, *First, Break All The Rules*. At the heart of their research, Buckingham and Coffman learned and show that "the manager was the key" to making employees

productive and retaining them. Based on 25 years of research and 80,000 interviews, "The manager, not pay, benefits, perks or a charismatic corporate leader was the critical player in building a strong workplace."

In order to attract and retain high-quality employees "managers must perform four activities extremely well: select employees, set expectations, motivate employees and develop employees."

Selecting Employees

How can an industry that is so good at finding employees for its customers be so bad at selecting its own employees? The answer to this question is two-fold.

First, there is process. A lack of utilizing a hiring process is a condition both in small Mom and Pops and well-established staffing firms. A robust selection process will consist of several steps which the manager can walk through in order to increase and ensure success in a selection of employees.

Critical to the selection process is hiring for talent. We all look for things such as a good fit, attitude, intelligence and so on. But Buckingham and Coffman show us that great managers intuitively know that the hard wiring of people does not change. Therefore, these managers focus on discovering and hiring the right talent. And they complete this task via certain interviewing techniques and the utilization of selection tools.

The second reason that the staffing industry is so bad at selecting its own employees is because, like many of our clients, we are part of the problem. Beyond a matter of training managers to increase selection numbers, we hire employees

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through a personal filter that goes unchecked. We hire people because we like them and because they are like us. Using outside recruiting firms or contract recruiters for our own hiring of employees can offer us a healthy check to insure that we are in fact hiring talent.

Setting Expectations

High-performing and high-quality employees are attracted to organizations that know how to "define the right outcomes, but let each person find his or her own route toward those outcomes." This is a shift from what we traditionally hear in the staffing industry. Historically, management has been encouraged to process and map the recruiting function and sales function, set daily activity goals and make sure that all recruiters and sales executives are executing on the same work tasks and activities.

Buckingham and Coffman encourage managers and organizations to not focus on making employees perfect. How do we set expectations with employees? Sure, we show them and train them in the processes that we know historically have been successful. We give employees the process map and the key activity metrics. But, more importantly, we point them towards the key results, the right outcomes that need to be accomplished. Then we allow employees to settle into a creative way to pursue the tools and techniques in which they can best accomplish these outcomes.

On the fulfillment side, the right results are getting qualified candidates to hiring managers. On the sales side,

the right results are securing face-to-face appointments. In addition to these key activities, there are also right results for the customers, the company and individuals. Getting your employees involved in learning and determining the right results for customers, the company and individuals associated with the company enables employees to take personal responsibility in their work tasks. In this light, performance expectations become personally owned by employees. This is very powerful.

Motivating Employees

Most staffing firms fall into the trap of thinking that financial compensation is the most significant motivating element for employees. This is not accurate. Assisting employees to become stronger at the things that they are naturally good at doing, and teaching employees how to manage around their weaknesses, are the two most significant motivators for high-quality employees.

Getting employees to become stronger at the things which they are naturally good at involves getting them to fulfill the right task in the organization. Buckingham and Coffman use the term "casting" to describe this activity. "If you want to turn talent into performance, you have to position each person so that you are paying her to do what she is naturally wired to do. You have to cast her in the right role."

Another motivational technique has to do with time allocation. Managers motivate employees by spending time with their employees. The mistake that many managers make is spending too much time on low-performing employ-

ees and not enough time on high-performing employees. If you are doing this, stop it. Spend more time making your high performers better at what they do best. It motivates high performers. But it also sends a message to new and existing employees. If I want my manager to notice me and work with me, I better become a contributor.

Developing Employees

The dynamic of employee development is less about creating a career path in your organization and more about "helping employees find the right fit." Another traditional trap that owners and managers get into is promoting an employee out of fear. If I don't give old John this promotion, then he will leave. The results are typically disastrous. Employees stay because they are productive, because they have a sense that they are contributing to the organization.

Companies that have the ability to retain high-quality employees do not believe in the traditional organizational career path. These organizations and managers focus on "creating heroes in every role." What this means is that these managers find and keep lifelong recruiters that don't get burned out. In fact, these managers attract and retain recruiters that keep improving year after year after year. These employees continue to get better at what they do best. And it occurs as a result of training, mentoring, spending time with them, and so on.

The Performance Improvement Plan is a wonderful tool to use to assist employees in self-development. All employees know one or two activities

or tasks associated with delivering results in their job that need improvement. Managers can help employees generate a checklist of behaviors that need improvement. A short-and-sweet action plan regarding how these improvements can occur is created. On a monthly or bi-monthly basis, the manager can follow up with employees on their progress.

I have only scratched the surface here. Buckingham's and Coffman's book, *First Break All the Rules*, is loaded with insights, tools and techniques to help managers attract and retain high-quality employees. Using these tools and techniques will lead, in part, to a sustaining strategy for the business.

Traditional Methods

There are several traditional methods we know of that successfully attract and retain employees. We do know that top-performing employees are attracted to top-performing organizations. A key question that every staffing firm needs to ask itself is, "How do we make ourselves a top-performing staffing firm?"

Mission! Are you going somewhere? Yes, are you going anywhere, or is the company being run out of someone's back pocket? High-quality employees are attracted to companies that are going somewhere and have well-articulated plans. These firms take the time to gather critical data about what is happening in the marketplace, and then develop future plans based on this information. These firms have well-formulated and realistic goals, based on conversations with key customers.

They are executing on the basics of business planning.

WIIFM! Companies that are succeeding in attracting and retaining employees have figured out, from the employee perspective, "What is in it for me." These firms are not afraid to conduct focus groups or ask their employees "What is working?" and "What is not working?" and "What can we change to help you become more productive?"

Magic in the margin! High-quality employees are attracted to organizations that are hopping and exciting places to be. There is magic in the air of these organizations. This magic typically emerges as a result of collaborative decision-making processes, openness to ideas and change, and a drive toward innovation and improvement. Magic in the margins does not emerge from a "fun" environment. The magic emerges from environments that hold employees accountable, which, in turn, sets goals, drives toward success, celebrates achievements and does not tolerate underperformance.

So, you think you had your work cut out for you for 2007? Hopefully this article will encourage you to pick up a couple of resources to which you have not yet been exposed. Maybe this article will encourage you to do something different from what you have traditionally done in the past. In terms of a sustaining strategy, figure out how to attract and retain high-performing and high-quality employees. **SI**

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