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Keeping the Best: 9 Practical, Low-Cost Strategies for Retaining Top Talent

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Keeping the Best: 9 Practical, Low-Cost Strategies for Retaining Top Talent

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After the dust has settled from cutbacks and belt tightening, some executives are scratching their heads and asking themselves, “What went wrong?” Far too many companies find that their best employees are gone, leaving voluntarily to work for the competition. Employers are perplexed by today’s workers. They paid them competitive salaries and sometimes even a bonus, and yet the “cream of the crop” is gone, leaving a growing number of organizations with employees who come to work when they feel like it, some who can barely read, and others who simply don’t care. It is becoming increasingly difficult to keep good employees. So how can you retain your best employees when you are unable to offer them higher salaries or big-ticket perks?

The answer is not simple, but organizations that retain top talent pay attention to what employees want and develop appropriate strategies. The following are nine low-cost and practical strategies for retaining your best employees.

Strategy #1: Hire the Best. One of the biggest mistakes managers make is hiring the wrong people for the wrong job. “Ducks don’t climb trees.” Companies are fraught with “ducks” in positions that require “cats.” In other words, people are “matched” with jobs for which they are unsuited, a factor that could have been detected during the interview process. The problem, however, is that many people who are part of the selection interviewing process often have little or no training in how to interview. The solution is to first determine exactly not only what skills are needed by an individual in order to succeed in a particular position but also what qualities and characteristics that individual should possess. For example, if you want to have an organization that is customer-focused, then you must hire people who are customer-focused. You can uncover this through the skillful use of interview questions. Require every person who will be interviewing candidates to attend an interviewing skills training session. Help them learn how to ask questions that indicate how the prospective employee performed in situations similar to what they

may experience in the new position. For example, instead of asking, “Do you like working with people?” ask, “xxxxxxxxxxxx Questions like, “What experience have you had dealing with difficult customers?” or “Tell me about your most difficult or challenging customer and how you handled it,” are far more effective than “What would you do if you were confronted with an irate customer?”

Strategy #2. Conduct a Departmental Orientation Program. An employee’s success on the job often begins with his or her first day. How a person is treated from the moment he or she walks through the front door will impact significantly how he or she will approach this new experience. Orienting a new employee goes beyond the company’s formal orientation program. The way in which the new employee is introduced into the department is critical . It is the manager’s personal responsibility to introduce the new employee to his or her work area and fellow employees. The manager should also clarify job expectations as well as unwritten departmental practices and social norms from kitchen clean-up to office parties. An orientation program should be designed to (a) promote two-way communication, (b) reduce anxiety, (c) promote a positive employee attitude, and (d) assimilate the employee into the organization.

Strategy #3. Develop a Structured On-the-Job Training Program. As employees are expected to do more with less, quality on-the-job training will become even more important. To ensure consistency and continuity, implement a structured on-the-job training program. You can begin by training supervisors and other designated trainers to do a better job of training people one-on-one. Many employees are frustrated and often leave because they were never taught how to do their jobs. They were set up for failure from the beginning by being forced to learn through trial and error. Not only will employees learn how to do their jobs more efficiently and effectively, but supervisors and designated trainers will develop their own skills as they train new hires and cross-train veteran employees. Once again, low-cost train-the-trainer programs are available on the market.

Strategy #4. Offer Developmental Opportunities. All employees need and want on-going training and development.

Management and Leadership Training

Global competition, customer demand, technology, the economic climate, and a diverse workforce are creating more pressure and placing more demands on managers in every organization. These changes require managers not only to be knowledgeable in their jobs but more skilled in dealing with the everyday challenges of managing others. Typically, managers have found themselves placed in management positions with little or no formal management training. Their preparation ranges from observation of managers they have worked for to basic courses in management and/or supervisory functions. However, today's workforce and business climate require managers to go beyond traditional managerial roles and functions. They must now be leaders, charged with the responsibility of influencing others to "go the extra mile" to achieve organizational goals. Managers must now rely on internal training programs to help them develop these valuable leadership skills.

No money for training, you say? No problem. You can overcome this barrier by identifying creative ways to provide leadership training for first-line supervisors and mid-level managers. You can develop mini-management modules in-house and offer them as lunch-bag or breakfast seminars. If you don't have the in-house development capability, low-cost packaged modules are available through video producers and consulting firms.

Organize a management forum. Many of your managers attend external seminars and workshops. Ask these "graduates" to take turns leading a discussion or co-facilitating a session on a particular subject. Important topics for managers include communication, delegation, leadership, and coaching.

Strategy #5. Ensure Three-way Communication. Most communication in organizations comes from the top down and often isn't as effective or timely as it could be. It's important to get employees involved at all levels. You can facilitate upward, downward, and horizontal communication by organizing employee involvement groups where employees discuss certain issues or problems and recommend solutions.

“Breakfast with the President” is an effective method of gaining valuable employee input. Once each month or so, the CEO meets with a different small group of employees from different areas of the organization to solicit their input, address concerns and answer questions.

You can also implement a system of inter-department visitations, where representatives from one department spend a few hours visiting another department to get a birds-eye view of what goes on and gain a better understanding of and appreciation for each other’s problems.

Traditional communication vehicles such as employee newsletters should be updated to reflect a growing employee focus. Include employee interviews, profiles, and solicited articles from employee guest authors.

Employee opinion surveys can also be valuable tools to encourage anonymous and candid input from employees. The key to success here, of course, is to provide feedback to the employees and take appropriate action as suggested by the survey results.

Individual managers should be encouraged to hold staff meetings where employees are given the opportunity to help solve problems and contribute ideas in addition to receiving information. Staff meetings can be used as mini group training sessions where staff members share the responsibility for training each other on cross-selling techniques or new products and procedures.

Strategy #6. Practice Performance Management. Managing performance is much more than completing the annual performance appraisal. It involves the continuous process of setting expectations,(including specific goals, objectives, and standards of performance), monitoring performance, giving feedback, coaching, and evaluating performance. The organization’s human resources professional can develop a system and appropriate “tools” for managers to use with their employees to identify performance gaps, develop an action plan, and coach him or her along the way.

Your organization may need to revise its performance appraisal system, transforming it into a performance management system, where the appraisal instrument and process are used as a developmental tool rather than a “grade card” evaluation.

You can identify ways to make jobs more fulfilling by giving employees additional responsibilities and accountabilities. Managers, in particular, need to get more involved with high-level decision making and could do so through a mid-management advisory committee, organized to provide input to senior management on high priority organizational concerns.

Strategy #7. Provide Appropriate Rewards and Recognition. People want and need to know that they are valued. And rewards and recognition programs are one way organizations can communicate their commitment to employees. Such programs can be carried out with little monetary expenditure. Many companies have an “Employee-of-the-Month” program, where outstanding employees are recognized for their efforts. Perhaps they are profiled in the company’s newsletter or publicly recognized at a company-wide meeting. Some organizations present the honoree with a plaque, a small token, a special privilege, or a day off. The possibilities are limited only by your imagination. One caveat: make sure the reward is something valued by the employee receiving it.

Once again, the effectiveness of such a program can be enhanced by expanded employee involvement. In fact, a reward and recognition system is an area that an employee involvement group could address. Managers should be encouraged to come up with creative ways to recognize and reward their employees. This might be an excellent topic for a management forum session. You may also want to take a look at redesigning your pay system, basing it on performance, individual skills, and responsiveness to customers.

Strategy #8. Involve Employees in Decision Making. The key to retaining top talent is to create a team-oriented environment that includes group problem solving. Employees want intellectual challenge along with a sense of purpose. They also want more flexibility, responsibility, greater freedom, personal recognition, and increased input into decision making.

Strategy #9. Help Maintain Work-Life Balance. Today’s life styles require that organizations recognize and accommodate the multiple personal and professional demands placed on their employees by offering flexible employment arrangements.

Companies have been utilizing part-time employment for years, but what about flex-time, job sharing, or permitting some employees to work from home part of the time?

Tied to job flexibility are programs to help relieve the burden of multiple demands and responsibilities. Although programs such as child care, elder care, parental leave, and employee assistance may require some financial investment, the payback in employee loyalty and productivity is worth it. You may also want to consider revamping your employee benefits program. If you are unable to give employees more money, at least give them some control and choice through a flexible benefits program.

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When implementing the above strategies, pay close attention to three guiding principles:

1. Know your employees. Survey them, talk to them, but most important, listen to them. Find out what they want and need.
2. Anticipate their needs. Keep up to date on your employment market and its changing demographics. Identify compensation, training, and management trends and constantly reassess your own policies and practices.
3. Focus your efforts. Avoid “flash-in-the-pan” motivational tactics and gimmicks. Instead, build on your knowledge of your employees and their needs by carefully targeting and implementing programs designed to match their unique circumstances.

With this approach, you will greatly increase the probability of retaining your best employees and positioning your organization as an industry leader in managing and developing human resources.

About the Author

Karen Lawson, PhD, CSP, is an international consultant, executive coach, speaker, and author. She has built a successful organization and management development consulting firm working with Fortune 500 companies as well as small businesses. Dr. Lawson specializes in cultivating outstanding leaders who enable their organizations to outperform the competition. For a complete list of her products and services, contact Lawson Consulting Group, Inc. at 215-368-9465 or at www.LawsonCG.com.

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