



Driving shareholder value

How to Attract and Retain Great People: A Seven-Step Process

By Jim Geier

President, Human Capital Consulting Partners

What are the biggest challenges to success in your business? Innovation, product development, customer acquisition, process improvement, revenue, and profit growth. Yes, all of these are some of the major hurdles faced by companies regardless of their industry or stage of their business. Yet the greatest challenge for any organization is how to attract – and to retain – great people. Without a great team, a company cannot succeed.

“Get the right people on the bus... Once you have the right people in place, figure out the path to greatness.”

Jim Collins, Good to Great

The great companies don't succeed and *then* seek out the best and brightest. They find the right people first. Success of any business is predicated on having the right people in the right jobs with the right skills. This is true not only for executive positions but also those on the front line. If you don't have the right people, you simply will not succeed.

With more than 25 years of experience in executive human resources positions and consulting, I have advised hundreds of company presidents, CEOs, and board members on attracting and retaining the best talent. With that experience and research, I have honed a seven-step process that takes you from business strategy and recruitment to long-term retention of your best employees and business success.

Regardless of a company's size, finding and keeping great people is the same challenge and can be solved using this same process. If you are a startup, you should use these same steps – albeit maybe a bit more informally – than an established corporation.

Step 1: Develop your business strategy.

The first step for any business is to develop a roadmap. You need to define:

- What are you doing?
- Where are you going?
- What is your value proposition to the market?
- How do you differentiate your company from others offering similar products or services?
- How will you approach your marketplace?
- What are your strengths, weaknesses, opportunities, and threats?

These are tough questions for sure, but it is critical to take the time and thought necessary to answer each one. You cannot determine what the shape of your team must be without determining your business strategy and how you define success. It is also important that you write down your roadmap and continue to fine tune it over time.

Step 2: Define your company's culture.

Culture: "the set of shared attitudes, values, goals, and practices that characterizes an institution or organization"

Merriam-Webster Dictionary

The single most important part of any company's foundation is determining its culture. Culture defines who you are as a business; it defines what you stand for; and it defines how you want to be known by your customers, shareholders, vendors, and employees.

Many companies find it valuable to define culture in terms of their vision, mission, and values. This is often written and distributed to all employees and even to those outside the organization to remind everyone of the core values of the organization.

Step 3: Identify the required people skills, competencies, and experiences.

Steps 1 and 2 were easy; now it's time for the truly hard part. Identify the people you need to achieve your business goals and who will best fit into the culture of your organization. Having the right "fit" is critical and in my view will determine a person's future success or failure.

For this step, you need to create profiles of the skills and competencies that are needed for the business. These are not job descriptions at this point, but overall guidelines. For instance, at a previous client, we identified ten core leadership competencies that were used to evaluate all leadership candidates:

- Strategic orientation
- Entrepreneurial
- Results-oriented
- Communication skills
- Relational skills
- Business astuteness
- Analytical skills
- Motivating and leading others
- Team-oriented
- Cross-cultural adaptability

Over time, this client built these competencies into their other human capital processes such as performance reviews, succession planning, and recruitment strategies.

Step 4. Identify, attract, assess, and hire the right people.

Many hiring managers perceive this step to be the most frustrating and time consuming, but it is the most important. To add even more pressure, the successful execution of Step 4 will make or break your business.

It sounds simple: take the profiles you developed in Step 3 and develop job descriptions. But this requires you to think hard about what each job is. If you don't have a clear understanding of the position, how can anyone else? It is important to focus on the duties, responsibilities, and skills that are necessary for the job, not who you want to fill the empty chair. Focus on the fact that you're looking for candidates who have the skills required for the job as well as the appropriate "fit" for your company's culture.

These job descriptions help guide your recruitment advertising, help those interviewing candidates define the interview questions, and help evaluate the employees you hire. Job descriptions can be sophisticated or more simple. For examples, take a look at www.jobdescription.com.

When interviewing job candidates, it is important to not just do it by yourself but to involve others in the process. Everyone has weak spots in interviewing. Let others participate, having them follow the profile and job description. Then make a final selection as a group, choosing the candidate who best fits both the position and the organizational culture. I have also had clients who have supplemented their hiring process by using a formal assessment process to compare the final candidates fit to the job description, job profile, and culture/values of the organization.

Step 5: Reward your people.

It is vital to reward the good people in your organization. You should start by developing your compensation and benefits philosophy. You need to understand the compensation package for a given position – the split between base pay and incentives and how competitive you are in the marketplace. In addition, you need to determine if you will have bonuses or profit sharing, will you have benefits, and what would that benefit package look like. In essence, you need to view a person's compensation in terms of both salary and benefits.

Rewards are not always monetary. Rewarding can be as simple as telling people they are doing a great job. This short statement will take you miles in ensuring that your good performers realize they are making significant contributions to the success of your business and in keeping them engaged.

Be prepared to pay more than you think. Good people with the right experiences, skills, and competencies are increasingly scarce. A recent survey by Robert Half International and CareerBuilder.com showed that compensation levels will be rising to better compete for the good candidates.

Step 6: Develop and train your people.

It is essential that you know who the good people are in your organization. You can't afford to lose any of them. They help drive your business strategy, deal with customers, and drive your success. Do whatever you can to not lose the top performers.

One way to identify the people strengths and weaknesses in your organization is to create a succession-planning process. This process allows you to identify your key performers and put in place a personal development plan that will address their gaps to prepare them better for future opportunities.

Possible methods of developing your key people could be any combination of the following: training courses, the opportunity to fill in for the boss, promotion, and involvement in special committees, projects, or task forces. These will give your good employees an indication that they are important to the business and give you an opportunity to see how they perform.

Step 7: Communicate, communicate, communicate!

Yes, yes, yes. This seems like such a simple step, but 25-plus years of experience shows that it's the one universal area where most managers are rated as "Does Not Meet Expectations." Studies done by brand-name consulting firms have shown that organizations that communicate well with their employees have a direct correlation to stronger retention, higher revenues, and increased profitability.

You simply must communicate. Inform your organization about what is happening. Listen to what they are saying. Ensure you communicate to all levels of management and they, in turn, are communicating with their teams. People look toward their boss for information, so middle managers and first-line supervisors need to know what is going on in the company.

You cannot go wrong if you over-communicate. Be as transparent as possible on the issues. Remember to treat your employees the way you'd like to be treated.

Summary

If you begin to follow this seven-step process, you will attract and retain great people and your business will be a winner. Let me leave you with four key takeaways.

1. Know your business, your customer, and what product you are selling so you can develop a strategy that will make you a successful venture.
2. Determine the people that are the right fit for your business. Without the right people your business will fail.
3. Spend time interviewing. Interviews may seem easy, but you need to really understand their importance. In the end, you only have a couple of hours to get to know someone and determine that they not only have the skills and competencies, but are right fit for the company culture.

4. Don't settle. Just because a job has been open a while, don't rush to fill it. That never works. It will always come back to bite you in the long run. Find the person who is right for the job and is the right fit, and they will help you drive your business success as well as make you look like a genius.

About Jim Geier

Jim Geier, president of Human Capital Consulting Partners, has more than 25 years of global and board-level corporate and consulting experience. During his distinguished career, Jim has proven his ability to drive shareholder value by focusing on business strategy, business issues, and organizational dynamics to design and implement practical and effective human capital strategies. He has impacted business performance by developing and implementing global HR strategy, assisting in the evaluation of acquisitions and divestitures, leading acquisition integration, developing and coaching senior management teams, and designing management development programs in top companies in manufacturing, life sciences, healthcare and financial services.

*For more information about Jim Geier or Human Capital Consulting Partners:
www.hccpartners.com, jimgeier@hccpartners.com, 215.244.8110*