



## **HOW TO FIND AND KEEP GOOD EMPLOYEES**

This report accompanies the free articles, reports, templates, and online video presentations available on the HRwisdom resources site which provides valuable information on how to find, keep, and manage good employees.

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## How to Find and Keep Good Employees

In an HRwisdom presentation we looked at how your business can simultaneously benefit from the global financial meltdown and the global skills shortage. With the media's almost panic-stricken focus on the global financial crisis it was easy for companies to assume the worst and wait for the sky to fall in.

However, proactive businesses tend to take a different view and look for the silver lining.

They try to turn difficult times into their competitive advantage by planning ahead and setting up a plan and systems to find and keep good employees.

Why is it necessary to do this? Because,

- With the global financial meltdown affecting all economies, getting through these tough times is going to require the right team around you.
- The pressure has eased but there's still a net deficit of skilled labour in Australia and everyone always wants the good people.
- The multinational companies are using the easing of the labour market to raise the overall standard of their workforces by snapping up the good people with offers of big dollars
- Even after the global financial meltdown, countries like India, the



Philippines, and the UK are full of Australian and international organisations preparing to recruit more skilled people. A major resources company and the WA Chamber of Commerce & Industry asked the Australian government not to overact to the financial meltdown by reducing access to 457 visas. Overseas recruitment can be a great solution but it can be slow and it will continue to be a surprisingly competitive process.

- Smart planning means better cost management in these uncertain times. All the direct and indirect costs associated with finding and hiring just one person can really add up.
- Perhaps most importantly, smart planning can help you raise the standard of your workforce by finding and keeping the right type of people for your business. In contrast, rushed or last minute recruitment decisions often lead to hiring the wrong person, and we all know the headaches that come with that.

You may recall a recent national business survey which revealed that two-thirds of the organisations surveyed had been affected by skills shortages. A separate study found that only 37% of organisations had a plan to find and keep good employees.

If you can use the global financial crisis to your advantage by putting together put a comprehensive [employee attraction and retention plan](#) in place, you can get the jump on the 63% of organisations which are doing nothing to protect their biggest asset.

Let's now take a quick look at four ways of doing this.

1. The Key Principle for finding and keeping good staff.
2. Employment Marketing - How to use it.
3. New Starters - Getting them to stay.
4. Lifting Performance - Being different.

Proactive companies are careful not to repeat that tired old line: "People are our most important asset" and then offer higher salaries and leave it at that. Why?

The answer is simple: *Nothing operates in isolation.*

We've seen time and time again how wrong companies can be by taking a narrow focus and assuming that salary and recruitment strategies are the only way to find and keep good employees.

The employment website Seek.com.au published a survey of jobseekers and this is the list of the main things that, when done badly, drive employees away. Remember, people may have issues with all or any of these:

### **SEEK.com.au – Reasons Why Employees Leave**

- Career development
- Feedback/appreciation
- Stress levels
- Variety & content of work
- Hours of work
- The way work is organised
- Benefits and conditions
- Job security
- Quality of management
- Salary
- Access to training or skill development
- Working environment/ atmosphere
- Tools & equipment
- My boss

You need to make sure you are at least ok in each area and you need to start right away on finding out what's really going on in the minds of your employees.

Employee surveys, [exit interviews](#), monthly one-to-one discussions are just some of the tools you can use to see where you stand right now.

It is absolutely critical to gain this feedback not only to address staff concerns but also to gauge the performance of your people managers.

One national services company recently did this to improve morale and reduce employee turnover. They achieved this but they came away with the added extra of the employees themselves suggesting a new performance-related pay system which the manager had been afraid to raise in previous discussions with his people.

Two crucial points on surveying your staff:

1) Don't wait until they are leaving to find out what they are thinking. Be proactive, systematic, and make sure you act on feedback.

2) Speak to individuals and, more important, particularly note what your top performers say. Rather than averaging out the feedback, create your total rewards package and overall approach according to the needs and wants of your top performers. These are the people you want to attract and keep in your business so be mindful of what they say.



You then need to work towards becoming good (or great!) in each aspect. If you cannot become great in some of these aspects (perhaps some are out of your control) then you'll need to think outside the square and compensate in other ways.

A multi-national company started up a new operation in Melbourne and most of the new people each took between a one and \$5000 drop in pay just to join this business. Amongst other unique selling points for potential employees, one major attraction was a four day work week on longer shifts.

Thinking outside the square is definitely one area where you can have the edge over the 63% of large slow-moving, reactive organisations which don't have an [employee retention](#) plan in place.

## Employment Marketing - How to use it.

Employment marketing is more than the broad concepts of Employment Branding or more than being an Employer of Choice.

Just as all businesses should aim to make it easy for their customers to use their products and services, all businesses should be making it easy for potential employees to want to join up.

This means having information readily available for job seekers, having an attractive employment proposition, and being completely professional throughout the [recruitment and selection process](#). Many organisations could be much better at this aspect.

Proactive companies understand the importance of employment marketing and using clever tactics to land good staff.

These businesses are busy revamping their recruitment processes to address the job seeker's one simple question:  
***What's in it for me?***

These companies are making sure that all paper and internet documentation is focused on answering this question.

They are making sure that reception, recruiters, managers and anyone else involved know exactly what and what not to say, where to direct the person and who is responsible for all key steps.

They are ensuring that jobseekers receive automatic responses specifically tailored to the role and contain pertinent information specifically answering What's in it for me?

Good websites and newspaper job ads answer What's in it for me in an attractive way and create momentum for the person to make contact and start the employment process.

By the way, does this mean you are begging people to join you or that you accept any old rubbish? No.

You still maintain your standards and have thorough [selection processes](#). You just make it attractive and professional enough for them to apply in the first place.

If superior operational and financial outcomes are a company's main priorities, a strong plan to keep good employees is crucial.

For instance, think about the following two statistics from a report commissioned for the Australian Human Resources Institute:

25% of new employees decide within the first week whether or not to stay. 58% of new employees decide within the first month.

Proactive businesses have strong people-management plans in place giving them good odds that such statistics won't be affecting their operations. This means comprehensive [employee orientation](#) and ongoing development is crucial.

So what does comprehensive employee orientation and ongoing development look like? Compare two real businesses:

Company A forgets that the new person is starting today and the boss is away on holidays. There's no desk for the new person and no-one really knows what they'll be doing. They forget to submit the payroll documentation and there is a mad rush to draw up a manual cheque on the person's first Pay Day.

After a while, Company A sorts out a desk, a computer, and even an operations manual. It is just that the manual is longer than the Lord of the Rings Trilogy and makes several unusual references to carbon paper and the telex machine.



Later, it occurs to Company A that this training stuff is supposed to be good so they've just gotten all their people into a room and lectured them for 8 hours straight on how to use some new procedures. Yes, there were a few casualties along the way as a number of people died of boredom but this was factored into the cost of the training.

As for forward planning and retaining company knowledge, Company A waits until the employee's last day before retirement to see if they have any advice to pass on to the younger folk.

Over at Company B, the reception desk has the new starter's name on the welcome board and they are escorted through to a special training room where they join other new starters. They are welcomed by a senior manager and then given a tour plus a starter pack including a few fun goodies. They then commence a four week induction training program. They learn the skills and knowledge required and are given the opportunity to practice in a safe environment.

At the end of their first week, the new starters in this company are welcomed by their manager and team-mates at a special morning tea. The new person knew this would all be happening because they received a letter before they started with a full schedule and the name and contact details for each person involved. To make things easy and to maintain a consistently high standard, Company B, has laminated One Page Procedures on the new person's desk with clear references to an online [database](#) which contains all required documents, procedures, customer correspondence, and internal policies plus an automated list of who needs to know them. At Company B, everyone knows what they need to know and everyone is automatically informed when something changes.

As for forward planning and retaining company knowledge, Company B decided to tailor their development and knowledge management according to roles and needs. Therefore, some people receive external training, others are assigned [internal mentors](#), others were provided with external coaches to help them develop their management style.

Some Company B front line staff were given ipods to enjoy music but with the requirement that they had to commit to watching weekly downloads of mini-training videos and sign-off after watching the training. Company B even went a step further and managed to remove the boredom induced by the unnecessarily dull half-day safety induction by turning this presentation into a fun, challenging experience using animation techniques only one step below the stuff seen in animated Hollywood movies.

Finally, Company B, has been holding regular Current Best Practice sessions for years in which small teams work through a process a little like Six Sigma to capture the best methods and ideas for each aspect of the business. The information gleaned from the Current Best Practice sessions is constantly reviewed, updated and fed back into the system via inductions, training, coaching, ipod downloads and the rest.

With all this planning and forethought, it probably won't surprise you to hear that Company B consistently outperforms the hopelessly disorganised Company A. What may surprise you though is that none of Company B's clever planning, tools and techniques are hard to do or costly to implement.

Another key component of a strong people-management plan is an effective [performance management](#) system. Employers often talk about this stuff but they are rarely effective. Done right, this is a huge opportunity for organisations to stand out from the crowd and attract the kind of people they want.

It's generally the case that organisations with very clear directions and expectations are on the right track. For instance, one well known national manufacturing business had a number of memos, post-it notes and the like floating about but there was no clear vision, goals or targets for teams, departments or the business overall. What this meant was that this lack of clarity was replaced by "gossip goals" – in this case, throughput. People competed against each by boasting about the volume produced on their shift and sometimes even by sabotaging the opposite shift. The gossip goal of maximum throughput badly affected the quality and yield of the output. A simple adjustment to having clearly defined goals meant thousands and thousands of dollars in raw material costs (and reduced need for labour due to less rework).

It's all about being properly structured for success.



The system begins with business and operational objectives clearly identified, communicated, and cascaded to each level. Many companies have organisation charts and position descriptions. However, it tends to be only the high-performing organisations that actually use these to directly impact the business rather than just having something to show the new person when they start. These businesses clarify reporting lines and develop role descriptions with measurable outputs. Every employee knows exactly who does what, how, why, and by when. Each operating unit and job category has pre-determined systems, tools, equipment and technologies clearly mapped out.

The organisations tend to find that expectations and performance standards quickly rise and, as a result, vacancies that occur over time through natural attrition do not all need to be filled. Staff input to this optimisation process is crucial as it creates its own positive momentum. Regular progress reviews and process improvement sessions keep the ball rolling.

You can then build on this by:

- Trying to give staff some buy-in and involve them in decision-making at the appropriate level.
  - Have employee feedback systems in place for groups and individuals. Always try, where possible, to segregate out responses from the high performers so you can help them stay.
  - Ensure any supervisors and managers are given [people-management coaching](#) and training and are held accountable for people-management outcomes.
  - Create a great workplace atmosphere centred on respect, trust and fun.
- How clear are your company's direction and expectations? How clear are your [performance expectations](#) for employees?
  - Have you got a timetable and agenda for meeting one-to-one with your top performers to really understand what they think and want? How will you record and act on their input?
  - Does your orientation create excitement for your new employee from Day One? Do they go home on the first night buzzing and excitedly telling their loved ones about what a great choice they've made or do they start plotting their escape?

In this report we have covered a lot of ground so here are some key questions to take away and consider:

- Have you identified the 10% of business-critical people and roles wherever they may be in the organisation? What is your plan to reward and retain them?
- What is your approach to employment marketing? Look at your web site, standard emails, and job ads – are you answering *What's in it for me?*

**You now have a rare opportunity to use the breathing space created by the global financial meltdown.**

**Use this opportunity to raise the performance of your workforce and to set up your plan and systems for when the skills shortage re-appears. By doing so, you'll be one step ahead of all those businesses and organisations competing for the people you need.**

