

Attract and Retain Top Talent

One of the keys to sustained growth and success in business is the ability to attract and retain top talent. This is even more critical in times of low unemployment when the supply of available talent is at a minimum.

Today, the plaintive cry, “You just can’t get good people any more,” is a relevant and tangible issue for many business owners.

Many businesses are struggling not only to attract quality performers, but are steadily losing the good people they already have. Yet, for some very successful businesses, attracting and retaining top talent never seems to be a problem.

As this issue is so topical, it would be useful to look at what these successful businesses do and see why they do not experience the problem that seems to plague most normal business owners.

I have noticed that there are a number of aspects regarding their management of people that these top businesses have in common. Most of us could probably learn from them.

1. Successful businesses treat their people as valuable resources to be nurtured, developed and cared for

Top performing businesses see their people as a source of ongoing productivity that achieves a higher return on investment into the future.

Poor performers want to extract maximum return from their people right now, while at the same time investing the minimum to make this happen. Top performing businesses have an investment mentality and use their resources wisely to develop top performing people.

Poor performing businesses have a consumption mentality, only spending their resources daily on the necessities of daily consumption. This approach leads to spent, burned out people who start to look for another employer.

2. Successful companies attract a constant stream of potential employees seeking to work for the company

Poor performers spend large amounts of time and money in recruitment to find people who may work for them. You need to develop a specific strategy to become the company in your industry or location that everyone wants to work for.

Successful companies attract top talent by what they have to offer the employee. Poor performers have to fight for the left overs because they don’t have much to offer. To change your status in this area, you need to work on all aspects of your business and management style, so that you become the most attractive option for top talent.

3. Top businesses use a balanced scorecard appraisal process that links performance with strategic objectives

Most normal businesses have subjective appraisal processes or none at all. The result is that people only get feedback about their performance when something goes wrong or when they are performing below par. This method of appraisal is demoralising and negative.

It only helps achieve the minimum standard of performance that keeps people out of trouble. Top performers use their appraisal process positively to motivate their people to excel in performance and to direct their efforts specifically towards achieving the company's strategic objectives.

To develop this management process, you must first develop your strategic objectives through a strategic planning process. People want to know where the company is heading, not just have every day feel the same as the last with no clear goals to aim at.

Strategic objectives then cascade into defined critical success factors in all areas of operations. Successful companies know exactly what needs to be achieved to succeed, while strugglers are often unclear about the critical activities that need to be targeted in their business.

The critical success factors are monitored using Key Performance Indicators that are able to indicate the level of performance on both a company wide level and an individual personal performance basis. These KPI's provide an objective basis of performance appraisal that allows self monitoring by employees in a way that is motivating and positive, with little need for supervisor input or corrective activity.

4. High performing businesses reward people on the basis of achievement, productivity and results

High performing businesses reward people on the basis of achievement, productivity and results, rather than for the time they spend at work. For most normal businesses, the amount of money their employees are paid has very little relativity to the results that the employees achieve.

There is also very little recognition of above average results achieved by their people. On the other hand, top performers encourage top performance from their people by providing incentives and rewards that are directly linked to performance results. These rewards and incentives are not necessarily purely financial.

There are many ways other than money that can be used to motivate and reward excellence in performance. The major factor is that high performers want to be recognised for their efforts and achievement. If this does not happen, your high performers will start looking for somewhere that their level of performance will be recognised more tangibly than what is happening now.

Mediocrity finds its own level. You need to consciously develop appropriate incentives and reward systems that line up with your balanced scorecard appraisal processes to achieve the best results. Often we see companies rewarding the wrong behaviours in a fool hardy attempt to accelerate sales growth or productivity levels.

Unfortunately, the behaviour that is encouraged in one area by this, undermines the efforts of others and has a detrimental effect on overall profitability and long term performance. You must be careful to integrate rewards systems with your objectives and appraisal systems to ensure consistency and have everyone pulling in the same direction.

5. Successful businesses select people with an eye to the future

Successful businesses select people with an eye to the future and base their selection on the vision of the candidate more than the ability of the person to fill the current role they are being employed for. Because of their future perspective, top businesses can afford to take their time to ensure they select the right candidate for the job.

Poor performing businesses operate out of urgency and are often reactive and unprepared. They employ people because of a crisis, an urgent need to fill a role vacated by someone else, or because a seasonal growth trend has meant there is too much work for the normal crew to cope with.

The critical need is for someone to produce the work that is backing up now. The result is that the best of the available candidates is chosen, as long as they can do the job now. There is no thought about whether that candidate has a good fit with the company's long term objectives or with the other employees in the organisation.

The result is that there is no opportunity to wait for the top talent to be available, you have to take what you can get. Often you end up with square pegs in round holes. The successful approach is like a quality builder who carefully selects the best materials to construct the dream house, while most businesses are like the builder who selects the cheapest and easily available material and ends up with a poorly constructed house.

Attracting and retaining top talent is not difficult for the successful businesses that operate strategically in all areas. Their selection, recruitment and development strategies are integrated into their successful business model. Normal businesses virtually leave this process to chance and are dissatisfied with the results. Which category do you fall into?

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