

Expert opinion: Successful firms take care in handling employees

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Q) How much time and effort should businesses put into retaining 'steady Eddies?'

Dan Calvert

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The Houston area registered the fastest rate of job growth -- 3.1 percent -- among the nation's 12 largest metropolitan statistical areas from June 2006 to June 2007.

While good for the economy, this creates a labor shortage and amplifies the need for not only retaining "top" employees, but more important, the "steady Eddies."

More businesses are realizing the same concept about customers applies to employees: It's easier to keep one than get a new one. And this especially applies to employees who are loyal, reliable and just "steady." They are the ones who train new employees, know all the right people to call at a moment's notice, understand the office and work flow and can often be overshadowed by outgoing, top performers who flaunt their accomplishments.

The best retention practices occur when managers realize employee retention is not about offering the highest pay. People don't stay with employers solely because of money. Typically, employees decide to look for a new job because they don't like their current job. The best practices come from companies that understand this concept, and pay attention to how satisfied their employees are, especially the steady Eddies.

Some tips to get started:

- Identify the steady Eddies in the company.
- Develop a targeted retention plan for each of them.
- Pay attention to them -- they see how top performers are treated.
- Recognize them by assigning them to projects with top performers.
- Create a "dependable pool" of employees, the same as a "high potential pool."
- Say "Thank you."

It's less expensive to retain a good employee than to find a new one, most companies today have more business than they can handle, enough capital and enough machinery. The bottleneck to production is employees. The companies that realize this first will win.

Q) If money is not the answer to retaining good employees, then what is?

Birgit Kamps

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People leave people, not companies. Often, staffing firms keep track of the Top 5 reasons employees are willing to leave their current employers to accept another job. In the last few years, two key reasons have consistently been reported:

- Employees have an issue with the management style of those to whom they report.
- Employees have an issue with leadership style of the company.

This shift in attitude may be a result of the career philosophies held by the new majority of working employees, often referred to as "Generation X" and "Generation Y." Members of this working class have learned to look after their own self-interests, which includes leaving a job when their career goals are not being met, if their enjoyment of life is threatened and most of all, if they don't like the management style of their supervisor.

It is important to capture the truth behind the resignation. Companies should compile their own Top 5 reasons people leave. If an employee states money as a reason, the HR manager should ask why that is more important or less important than other criteria, and for what exact dollar increase would he or she stay. If someone doesn't feel safe, however, he or she won't be open and answers won't reflect the root cause of the resignation.

It is recommended that managers be made aware of turnover trends and know how their management style is perceived through a 360-degree evaluation or through an expert consultant. Leadership development programs or hiring an executive coach is also a good idea.

The good news is that people generally don't like change, so people will also stay for people who are making an effort to improve themselves.

Q) How should a business owner deal with a difficult employee?

Don Wesley

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It's easy to recognize a "difficult" employee. It's the person who may arrive late and leave early on a regular basis; have unexcused or excessive absences; use disrespectful, abusive, vulgar or rude language toward co-workers, managers or customers; have a poor attitude; constantly complain and gossip, bringing down morale; and has poor or unprofessional job performance.

Supervisors should discuss unwanted behaviors soon and address the issues at hand through a conversation that is nonconfrontational and focused strictly on documented performance problems.

Reiterate the company's philosophy of having an open-door policy and highlight that the intention of the meeting is to have a positive discussion to develop solutions. It is wise to have an office manager or HR executive attend this meeting.

During the meeting, let the employee give his recommendations for resolving the problem, and, based on the discussion, develop an action plan that includes tangible expectations, specific measurable goals, a strategy and an estimated deadline. Also, establish a timetable for a follow-up meeting.

In addition:

- Have a clearly written and up-to-date employee handbook.
- Consider implementing regular internal management-training classes.
- Conduct annual employee-performance evaluations to ensure that each employee is aware of requirements of his job.

Dealt with correctly, a difficult employee can be turned into a productive staff member -- or at the very least, his negative impact can be minimized.

Q) What policy should a company have about social networking sites?

Daniel A. Krohn

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Many companies are adopting rules banning employees from visiting social networking sites such as Facebook -- their concern being employees wasting time on the job. However, employers would be wise to have personnel within the human resources departments joining and working several social networks and for more than one reason.

The social networking world has been a boon to employers looking to find good candidates for openings. By maintaining an active network, those charged with

recruiting can solicit candidates from a large number of people in whom they have some level of trust. This is a very effective way of getting the word to those who are not looking for a new position, the group that is generally the most fertile hunting ground.

New networking sites may also specifically target prospective employers. For example, Yippikya (www.yippi.com) is designed to help artists and others in the creative professions network, share their talents and "get discovered."

But the flip side is just as important. Those charged with hiring today are negligent if they do not check out serious candidates online. This means running the names through search engines. It also means having HR members of Facebook, MySpace, LinkedIn and other networks search for additional knowledge about candidates in cyberspace.

If a person is posting embarrassing photos of himself and friends online, he should be aware that it may well cost him a position he wants. In an extreme case, it may get him fired. At least in Texas, most employees are employed "at will," meaning they can be fired for the sun's rising.

Expect employers, especially those quietly looking to cut overhead, to add social networking behavior to the selection process. Even in the new, ever-changing cyberworld, some old rules make sense. Good manners are a good idea everywhere.

Q) How can a company leverage the tools available in Houston to find high-impact engineering talent?

Charles Nash

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Yoh, a unit of Day and Zimmermann.

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Remember the 1970s? Those who were in the engineering business 30 years ago remember this talent shortage scenario in particular, especially in the Gulf Coast.

Once again, it's a candidate-driven market. As a result, there is a need for engineering, procurement and construction firms and owner companies, as well as search companies, to be creative in sourcing strategies to identify and attract high-impact talent.

The candidate sourcing process is really a three-phase progression. To start, identifying high-impact talent for the assignment is crucial. There are many tools available to help, including search engines, special interest groups and networking.

Once the talent is identified, moving quickly on final decisions and getting timely feedback is imperative. To further attract talent, companies must develop an engaging company brand that focuses on attractive compensation such as bonuses, relocation packages, flex work schedules and benefit time.

But the pool of quality candidates is shallow and the high-impact talent that companies want is most likely working for competitors. Companies looking for alternative long-term solutions should also consider the final sourcing step: Internal development programs. Promote and develop from within, and invest in candidates with growth potential.

The engineering skills in highest demand right now include research and development and engineers in many areas: network, software development, firmware, embedded software, validation, radio frequency, mechanical, quality assurance, civil/structural, electrical, process (power and pharmaceutical) and the engineering, procuring and construction industry.

In the near future, biofuel, coal and nuclear power engineers will be in high demand.

Q) Often after the interviewing process, when a firm is ready to make an offer, the candidate has already found something else. What's going on?

William Behn

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Two words: Market velocity.

This is the speed at which qualified candidates are moving through the marketplace. In today's work force, the amount of time a candidate is in the marketplace is fleeting. Companies have to move quickly to land top candidates.

Human capital has become the key differentiator among competitor companies as the economy has become increasingly knowledge-based. Organizations are feeling an increased amount of pressure -- especially in financial fields where the regulatory environment is adding more motivation to secure top talent.

To ensure that a company doesn't continue a streak of losing qualified candidates:

- **Take a look at the interview process. Many companies drag candidates through four and five interviews. Anything more than two or three interviews increases the risk of losing a valuable candidate to a competitor with a less demanding interview process.**
- **Checking references wastes valuable time. This process can be outsourced. Other organizations that can do everything from verifying college transcripts and employment references to conducting criminal and credit checks.**
- **Use a search firm. Strike a balance between using an efficient internal recruiting engine and external recruiting efforts.**

Q) Companies may receive notices that they need to purchase new labor law posters or face large fines. How can they know what's actually required?

Ashley Kaplan

Texas-area expert and compliance attorney

Poster Guard Compliance Protection by G. Neil

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All employers are required by law to display labor law posters, but knowing whether the posters are authentic and up-to-date is a challenge. Some unscrupulous firms bombard entrepreneurs with deceptive materials that claim every labor law change requires the purchase of a new poster.

Poster scam artists sometimes visit businesses posing as a government agent or mail official-looking solicitations. Legitimate third-party poster sellers charge an annual fee to keep track of pertinent labor law changes and automatically send the company new posters when they need them.

Before choosing a labor law poster service provider, check with the Better Business Bureau to verify the seller's quality and service standards.

Choose a partner that understands both state and federal laws. Texas businesses have to keep track of up to 10 federal and state postings issued by up to six different agencies.

Confirm that the seller employs labor law attorneys to interpret regulatory changes.

Ask for written assurance that the posters meet exact agency specifications for font size, poster size, color and layout.

Choose a poster provider that guarantees unlimited protection from fines.