

## Losing employees?

*Maybe it's time to get your HR methods aligned with your business objectives*

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**Question: Even with higher unemployment than we've seen in awhile and more candidates to choose from, we're having a hard time recruiting and keeping top employees. I suppose we should take a look at the methods we're using because they're not giving us the results we need. Any suggestions for getting started?**

**Answer:** Sounds to me like an examination of your methods is exactly the place to start. The basic question I would put to you is, "To what extent are your HR methods aligned with the business objectives of the company?" Put simply, if you're still using the same old practices to select, appraise, compensate, and train your employees, then your approach might be part of the problem. Sophisticated, fast changing times demand innovation from all aspects of the business enterprise, including the human resources function.

As you may recall from some of my earlier articles, construction of a competency model is one emerging trend for aligning human resources practices with organizational practices. By definition, a competency is a "characteristic that underlies performance or behavior at work." Broadly speaking, most competency models reflect some combination of these categories:

- Aptitudes
- Skills
- Knowledge
- Physical attributes
- Styles
- Personality
- Principles/Values

- Interests.

Once the competencies that form the foundation for job success are identified, they become a target at which various HR processes may be aimed. For example, by engaging in a program of job analysis and organizational study, the following competencies could emerge as relevant to a given company setting:

- Thinking creatively
- Negotiating
- Working productively
- Planning
- Managing conflict
- Communicating effectively

When these competencies have been operationally defined (i.e., defined in ways that make it possible to observe them and measure them), then you really have something to get your arms around. No more guessing games. No more absent or changing criteria. Instead, you have a model that provides for consistent and systematic application and reliable and valid measurement.

In light of the foregoing, here are four principles for improving the functional effectiveness of your HR practices:

### **Focus on assessing talent**

Recent bestsellers like *First Break All the Rules* suggest that if an organization is going to do one thing right in the HR arena, it better be selecting and hiring the best available people. On what basis are you deciding that someone is or is not a "keeper?" What factors do you consider? What tools or techniques do you use? If you're still principally focusing on the chronological job progression of your applicants using an unstructured interview, I'm here to tell you to "Stop!" It's time to look beneath the surface at the behavior that provides for job success. To do this, you must look at competencies not job titles or salary histories. Think in terms of "S-A-Rs." What Situations did the candidate confront? What Actions did he/she take? What Results accrued? Based on any number of statistical validity studies I've done over the years, I can say without hesitation that

implementing a behaviorally based approach to talent assessment will increase your forecasting efficiency.

### **Measure what matters**

So, now you've hired the best. How will you appraise their performance? What constructs or criteria will you use to gauge if they are doing a terrific or less-than-terrific job? Please don't tell me you're going to trot out that old-as-the-hills performance appraisal with categories like "Quality of Work", "Quantity of Work," "Job Knowledge," "Attendance," etc.

No, I'd rather you tell me you're using the competencies that you identified earlier as a way to measure the job-related contributions that your employees are offering.

Tell me that you've defined those competencies in ways that differentiate between jobs or levels (e.g., describe how "negotiation" is displayed in a sales position in a different way than it is in an accounting position).

Tell me that you use critical incidents and/or behavioral anchors to differentiate between stellar and not-so-stellar performance.

In short, tell me that you're going to actually measure performance, not go through the motions, pretend to do performance appraisal, and waste everyone's time along the way.

### **Reward the right things**

It's been said that today's psychological contract between employee and employer is a quid pro quo, here today, gone tomorrow. Perhaps that's true. Cradle to grave employment is certainly not the norm any longer. But, what can you do about it? Lament the way it used to be? Chastise younger employees who take care of their own interests and hold no illusions about employer loyalty?

No, that gets you nowhere. I suggest you examine your practices and study those areas that might actually be pushing employees out the door. What is your wage structure like? Is it competitive with what other comparable firms pay? What does your benefits package look like? On what basis are rewards and

incentives dispersed? Are you still rewarding tenure and seniority rather than business drivers like innovation, creativity, and process improvement? Pay for performance programs are often criticized because they focus on bottom-line results and use empirical, objective criteria to hold people accountable. In response, my reply is, "So, what's wrong with that?"

### **Unleash learning**

Long-time readers know the power that I attach to building and deploying high performance learning systems. From my way of looking at things, in today's fast changing world, companies simply have to be in the learning business. The obsolescence curve is increasingly steep—five years or less for some college degrees in fast-paced fields (e.g., computing). Set in this context, how can you as an employer afford not to do as much as you can to invest in your employees and offer, sponsor, or support a whole host of learning opportunities ranging from employment basics to computer courses to team building to management development? The lesson here is: To unleash the full potential of each employee, unleash learning throughout your company. Targeting the learning implications of your company's competency model is the place to start.

Focus on those four factors and my feeling is that you will begin to see improvements in your employee retention figures. And, I believe, you'll start to see some positive impact in other key indicators like productivity, job satisfaction, etc.



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