

Power of the People

Focus on your employees to make your company grow.

BY SHARON HULCE

As the president of a busy executive search firm, I've observed thousands of leaders over the course of my 21-year run. Many leaders run amazing organizations that over time have grown considerably and have been very successful. Others, despite the same economic conditions, have not fared well. In analyzing the differences, there are some key factors that are quite obvious, but certainly worth reviewing.

Successful leaders understand that you grow organizations through people. While you can make capital investments, technology upgrades, new product innovations, and so on, ultimately the people behind such changes are what make companies grow. So the companies that win are those that focus on their people. This includes hiring, engaging, and retaining your talent.

One of the first things we notice in companies that excel is that the firm has a defined culture, one built upon shared values from the leaders that are bled into the organization from the top down. This is the "heart" piece of the business. As we know, most people hire with their head; the person has the right technical background and can do the job. The farthest they go with the heart piece is generally "I like them." Truly understanding whether a person will integrate into your company's culture takes heavier lifting than this. A strong "people first" culture is embodied by interviewing, onboarding, and training to the organization's values, so that leaders know employees' core values are aligned.

This does not mean we all have to think the same! Quite the contrary, we want people who will bring new innovations and ideas. What this is about



is creating a core values system of acceptable behaviors for how we interact with and respect each other and how we represent the company. It's the price of admission to enter into a great culture.

Rethinking the performance review

Another critical factor we see at companies that grow through great people is that employees have a say in their careers. These firms engage them in establishing career paths. Employees lead goal setting and accountability to achieve not only what is important to the company, but also what is important to them throughout their careers.

The best of organizations, from our perspective, allow the employee—not the supervisor—to lead the performance review. Employees analyze their own performance, answering questions such as, "What do you believe was your greatest accomplishment this year?"

"What was the most significant thing you learned?" "What would you like to improve upon?" "Where would you like to see your career progress over the next year, in three to five years and your ultimate role in our company?"

The supervisor can then have an open dialogue about goal setting, expectations, and accountability. Moving forward, the employee will be accountable to his or her own career. The supervisor can check in to assist the employee, but the path is clear. Under this process, the main role of the supervisor during a performance review would be to align values, not just evaluate performance.

This process assists in defining who is high performing, who has high potential, and who needs a performance management plan (or an exit interview). Isn't it true that when we really analyze why someone isn't working out, it is usually due to cultural fit, not technical misalignment?

Retaining Millennial talent

Retention continues to be another huge focus for high-performing leaders. Today's leaders have a new challenge in the work environment that we really have not had to deal with before—the generational difference between how the Baby Boomer generation thinks versus the Millennial generation and their “arrival” into leadership in mass numbers.

Baby Boomers grew up in a generation in which parents wanted a better lifestyle for their families than they

by a Baby Boomer who wants to focus on “I earned my stripes, you need too also.”

Therein lies the challenge. We need Baby Boomers to transfer their institutional knowledge, and we need Millennials to be open-minded to learn the way it has always been done while honoring their need to seek a better method. And then we wonder why senior leaders are pulling their hair out!

Companies need to frequently communicate their purpose in order

development. For this group, we suggest assigning critical-thinking exercises or challenges to solve problems the business has encountered.

Both groups should be widely recognized internally. This creates a desire by all employees to be a part of these elite groups. It also assists with Millennial retention, as you are asking these employees for their valued opinion.

We conducted an Innovation Summit several years back for a client. One gentleman in the room was a high-potential engineer. He was somewhat introverted and rarely spoke unless called upon. In this setting, his group was given a problem to solve that had been a longstanding challenge for the business almost since the beginning. Not only did he offer up the solution, but his recommendation has since transformed the company, and as a result, it has made millions in additional revenue. Years after the revelation, the CEO approached the young engineer and asked why he hadn't shared this insight previously. His answer? No one had ever asked.

We frequently are asked if compensation plays a role in having happy, engaged employees. It does, but not as much as one may think. Being fair and paying the market rate are important. Sharing the wealth of a good profit year beyond a few senior leaders also goes a long way. Strong benefits are important to Baby Boomers. But overall, compensation plays less of a role in retaining people in your company than making employees feel motivated, significant, and worthwhile.

Leadership certainly has its share of challenges, and those challenges will be ever-changing. But what is a constant is that those organizations that put people first always win first. [AQ](#)

Sharon Hulce is president of Employment Resource Group Inc. She is celebrating her 21st year in executive search. Hulce is the founder of ERG and is a sought-after speaker on retention, empowerment, and succession planning for employees and employers.

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had growing up. Many of the recipients of that generosity are members of today's Millennial generation (along with Gen X, but at a lesser number). But Baby Boomers dislike the very reward system they created. Baby Boomers believe Millennials are too “entitled” (take, for example, the trophies for participation that Millennial children received in some activities). Baby Boomers are not willing to transfer their institutional knowledge because they're certain they will train the Millennials and then they will just leave anyway. After all, the average Millennial stays in a position from 18 months to three years. So even though we have 10,000 Baby Boomers retiring every day nationwide, in many cases the institutional knowledge they have is leaving the organization with them.

Millennials see this attitude through a very different lens. They find Baby Boomers unwilling to try things in a new way. Millennials want to work for an organization that understands its “why” and is open-minded to lots of ideas on how to get there. They seek an organization whose purpose is strong and makes a difference for other people. If they leave, it's because they are stifled

to retain employees. By sharing this common ground, all generations can get behind what the organization does that helps others.

The value of shared culture

How do we begin to comingle this workforce into one dynamic high-performing culture? Shared values are critical, but there are other things leaders can do to continue to build interdependency, leadership competencies, and trust. We spoke earlier about performance reviews and how they can help define who is high performing or who has high potential. By defining this group, you can start to bring the team together in a variety of ways. One strategy that we encourage is an Innovation Summit, a one-day, offsite retreat where you focus on leadership development with the two teams. One group of high-performing teammates works on strategy. Any business challenge that you are wrestling with, give it to the group. You will be amazed at what you might learn.

The other team is a high-potential group in which the members have all the right competencies to be a good leader; they just need more coaching and