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How to Recruit and Retain Top Talent

Even in a competitive job market, you need a strategy to attract and keep good people

Identifying and assembling the right team to help your business succeed depends on what phase of growth you're in. Are you a startup looking for investors, a company about to monetize its product, or perhaps a mid-size company moving into major distribution?

Whatever phase your business is in, you need a well-defined strategy. Your approach must include the personal involvement of the CEO and other top leaders of the organization. You may want to enlist the help of a trusted recruiter, as sometimes, especially when you are going outside the organization to fill a position, you may not want your own team to be part of the search. However, your personal involvement must always be part of the strategy when hiring management and executive-level team members. The best people are going to recognize this involvement, and they will want to join you.

What talent does a management team need?

Hiring and retaining the best talent is a challenge. Despite higher-than-optimal unemployment figures, the "brain drain" caused by baby

boomers retiring means that truly qualified employees are still hard to come by.

The National Association of State Auditors, Comptrollers and Treasurers projects that the number of younger workers entering the labor market is not enough to replace those who are leaving. As of 2006, one in six workers was over the age of 55. At the same time, the 25-to-34 demographic decreased by nearly 9 percent.

That trend has continued, and it is expected to continue indefinitely, making the search for young, up-and-coming talent as demanding as ever.

Complicating the situation is the way the world has changed. The need for technical skills in a leadership team is a given, and you need to mix up the strengths of various team members. For example, if you are not a technologist, you need to find a chief technology officer. But today more than ever, every candidate for any management position, at the highest as well as the middle levels of an organization, must also possess outstanding interpersonal skills.

These so-called "soft skills" are the difference between success and failure. The traits everyone on your team needs include:

Agility and Adaptability – Managers must be able to think, adapt and change. The best managers use a variety of tools to solve new problems. In the venture capital phase, for example, a particular job may change or even vanish. Investors are looking for team members with the fluidity to help ensure a return. People need to be nimble. For this reason, adaptability and learning skills can be more crucial than technical wizardry.

Initiative and Entrepreneurialism – Leadership demands the confidence to take initiative and to trust oneself to be creative. Startups are often characterized by the team’s willingness to do a little of everything, as well as to take risks. By the same token, as the company approaches the status of “industry leader,” risk aversion is equally undesirable. The challenge is to find leaders who can create an entrepreneurial culture – regardless of the size of the organization.

Critical Thinking and Problem-Solving – To compete in the new global economy, companies need every worker to be a “knowledge worker.” These qualities ensure a team that’s continuously focused on improving products, processes or services. Asking the right questions lies at the heart of this skill. Often these questions include: How can we do things that haven’t been done before? How and when should we change what we have been doing?

Ability to Collaborate Across Networks – The concept of teamwork today differs greatly from that of 20 years ago. Conference calls, webcasts and online meetings eliminate the need for teams to be in the same building – or even on the same continent.

Effective Oral and Written Communication, and Empathy – Effective communication is essential. The best candidates will have exceptional verbal, written and presentation skills. Find people who can be clear and concise, and who can put themselves in someone else’s shoes – from shipping clerks all the way up to senior managers. Such people are most able to communicate their thoughts effectively and motivate others.

Curiosity and Imagination – Increasingly, the marketplace demands unique products and services. All businesses – whether well-established or startup – need to make a product that’s not only competitively priced and adequately functional, but also high-tech and sustainable. Connecticut, known for its aerospace companies such as UTC and GE, boasts a strong pool of advanced manufacturing skills. But companies must also identify and recruit people with the capacity for imagination, creativity and empathy to maintain a competitive advantage.

A good place to look for these soft skills is in people with project management backgrounds. Project managers end up being very good executives because they have led teams successfully, and to lead teams, they have to have honed the skills described above.

When recruiting, think as an investor

Begin with the end in mind: the organization's goal – your goal – is to do right by your stakeholders and make sure your organization enhances quality of life with a product that adds value to customers and a culture that provides good jobs to the community. The most important thing is to let your investors know that you are garnering resources to give them the highest return – you are protecting intellectual property (IP) and ensuring a future.

With this in mind, it may not be desirable for the original startup team to remain with you as you grow. Startups need a team with a particular set of talents, one that can attract investors, acquire capital and prepare to monetize. Later, companies need a team with another set of talents – a team that can orchestrate the move from the “hand-crafted” one-off prototype stage of production into major sales, manufacturing and distribution. Each stage of growth may need a different mix of personalities and vision.

Once you've identified which types of candidates your company most needs to attract, it's time to cultivate the culture necessary to draw the best. Creating a workplace environment designed to retain talented, dedicated employees is just as important as recruiting them. Establish a culture in which people are engaged and treated with respect and consideration.

Gone are the days when, after graduation, people took the best available job and stayed for as many years as they could possibly stand, regardless of frustration or lack of fulfillment. Even in the current economy, people still assume they will make several moves during their career. They are always on the lookout for new opportunities.

For retention, think as an employee

The first step to retaining great employees is to ask yourself some tough questions from their point of view. Do your people want to come to work every morning? Is the work interesting and meaningful – or does your staff just seem to be going through motions to pull down a paycheck? Is your team still learning and growing? If not, employees will feel it is time to move on.

It's also important to assess whether your employees enjoy spending time with one another. If staff don't sincerely enjoy and respect the people they spend a significant part of their day with, they will

eventually decide to leave your organization and start cultivating relationships at other companies. You have to motivate them every single day.

Of course, there are always situational reasons why employees look to leave their jobs, even at the best of companies.

One is that their value has been undermined. Technology, outsourcing, a growing temporary staffing industry and productivity efficiencies are all disruptive for employees. Most jobs that existed 20 years ago aren't needed now. You must ensure that valuable employees always feel appreciated, even if their current job duties need to shift. Provide opportunities for training and education. If your staff members' "soft skills" are strong enough, they can most likely learn many of the technical requirements of new roles. In fact, the best employees will welcome the opportunities to try new things.

Raises and bonuses only go so far in retaining top talent. Many studies repeatedly confirm that an increase in salary offers either no measurable increase in happiness above a certain level, or that this satisfaction is short-lived. In other words, the longer people stay in a position, the less important factors like compensation become.

If your people believe they cannot go farther in their careers than their natural abilities take them, you will see diminishing returns, even when

those natural abilities are superb. Provide new assignments. These can drive exceptional leadership growth, and you will see people rise to the challenge.

Be family friendly

If you don't currently allow employees at all levels of your organization to have more flexible schedules – whether it be working from home one day per week, or shifting to four, longer-than-traditional days –change your policies now.

It's true that not all positions lend themselves to this kind of family-friendly flexibility. But for professional parents in organizations that don't put a higher emphasis on family life, lack of flexibility is a red flag.

In turn, it's up to you to evaluate if a candidate can really manage a department, run a division or handle travel-intensive positions while working on a more flexible schedule. In addition, you will need to provide support so that staff work and customer service don't suffer simply because a manager needs to leave work occasionally for specific family obligations; however, the effort to create an environment that allows people to balance work and life will attract the best people.

Don't bet on people staying put just because of an uncertain economy. Because fewer members of the modern workforce spend their careers at

one place, people are less afraid to move on if their home life suffers because of work – even if it means taking a hit to a salary or title. For today's top talent, working at a company that's flexible to the needs of a family means a better shot at long-term success.

If your company culture matches the discussion above, the best people will seek you out.

Where and How to Find Top Talent

After all of these considerations, you need tactics for identifying the best people. The most important guiding principle is that the search should never be completely delegated to the human resources department. It is not always appropriate for the CEO personally to interview every candidate, but certainly the hiring manager and – in many cases – some peer-level employees, should be directly involved.

Networking is the best way to get out the word that you are looking for people. It's best to select from among candidates you know or who come recommended highly by people you know. In addition, recruiting candidates who themselves have strong networks is another way to bring top talent to your door. If you need a top salesperson, for example, the candidate you hire for your chief marketing officer may be able to attract that individual along with him or her.

If possible, the people conducting the search should interview finalists over lunch or dinner. Observe how the candidate treats the wait staff. Does he or she take cues on ordering from the host? These are important indications of how the person will treat coworkers, especially people they supervise.

If you do enlist the help of a trusted recruiter to narrow the search, be wary of anyone who promises to “get you a list of candidates right away.” The recruiter who represents your company’s interests understands that it can take weeks – sometimes more than a year – to identify top talent that is compatible with your team’s style, values and goals.

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