Honey and Glue: Strategies for Recruiting and Retaining Great People

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Ten years ago, demographic experts were predicting that as Baby Boomers retired in the millions, our nation would face one of the most severe staffing shortages in history. Books, with titles such as Meltdown 2010 and Impending Crisis: Too Many Jobs, Too Few People, warned that we needed to create organizations that excelled at recruiting and retaining great people. As one business journal put it, the war for talent is over - and the talent won.

That has not happened yet mainly because the recession of recent years, coupled with tectonic shifts in technology and globalization, has slowed job growth and the rate of workers taking retirement. But it is a safe bet that the experts got the outcome right even if they missed the date. There will soon be too many jobs chasing too few people. The shortage will be most severe when it comes to demand for the best workers.

The ability to earn the loyalty of talented people creates an incredible competitive advantage, as documented in the work of Frederick Reichheld (The Loyalty Effect and Loyalty Rules) and Jeff Pfeffer (The Human Equation: Building Profits by Putting People First). If you want to enhance the value of your company and insure your ability to compete over the long term, attracting and retaining great people will be vital to your success. As the aforementioned authors point out, having loyal employees is the essential ingredient for earning loyal customers.

When speaking of loyalty, I am not referring to mere tenure. Tenure is recognition of time served (or in the worse case, simply of time put in). Loyalty, on the other hand, is a commitment to working together for a shared future.

Tenure is passive. Loyalty is active. True loyalty entails a commitment to learning and growing to meet the changing demands of the organization, the marketplace and the times.

People often say “recruiting and retention” as if it is all one word. But the motivational hot buttons you must hit to recruit are often very different than those which inspire long-term loyalty. You recruit people with tangible inducements, including pay and benefits, working conditions and opportunities for advancement.

But, research shows that it is not enough to keep them. People stay or leave because of intangible qualities like trust, respect, recognition and appreciation for their work, and a spirit of workplace fellowship. At Values Coach, we call this the “Honey & Glue” formula: you attract people with the “honey” of measureable compensation and benefits, but you keep them with the “glue” of right-brain qualities that cannot be measured, but which are felt in the culture of the workplace.

Joe Tye, CEO and head coach, Values Coach Inc.

Strategies for Recruiting and Retaining Great People

Build on a foundation of values. Zappos is a modern American success story. This online shoe and apparel retailer (recently acquired by Amazon.com) has been honored as one of America's 100 best companies to work for by Fortune magazine. It has hundreds of applicants for every job opening. The company has 10 core values and expects every employee to know - and live - them all. These values are prominently displayed on the Zappos Web site, and are the first thing prospective employees will see.

In Impending Crisis, the late Roger Herman shared research findings showing a direct relationship between a company’s commitment to core values (as reflected by the fact they had an authentic statement of values integrated into every aspect of operations, including interviews, new employee orientation, performance appraisals, etc.) and ability to retain good people.

High performers on this score had less than one-third the turnover of low performers. Does your company have a written statement of values and have you defined the attitudinal and behavioral expectations created by those values? For example, a real commitment to the value of integrity and respect for others would mean that your firm has a zero-tolerance policy for gossip and talking about people behind their backs.

Put it in writing. Auto-Owners Insurance Company explicitly includes “loyalty” as one of its 10 core values. It has published a formal declaration to the independent agents who market its products, proclaiming its commitment to that relationship. This forecloses potentially lucrative (but competing) marketing channels via the Internet or a direct sales force. I have met many agents who reciprocate with a near-exclusive commitment to promoting Auto-Owners’ products. What can you do to express in writing your loyalty to...
your employees and your customers?

Specify actions that show your commitment to loyalty. Virginia Mason Medical Center in Seattle has pioneered implementation of the Toyota Production System (better known as lean process management) in the healthcare setting. The Virginia Mason Production System (VMPS) has helped the medical center improve efficiency, quality and patient safety. But that process has been coupled with a no-layoff policy, which reassures employees that efficiency-enhancing process improvement will not be simply used as a way to eliminate jobs, and that management cares about their sense of job security. List the actions that you take to earn the loyalty of your employees and customers. Are you really walking the loyalty talk? What more can you do?

Invest in people. In “How the Growth Outliers Do It” (Harvard Business Review, January-February, 2012), Rita Gunther McGrath looks at companies that have grown consistently over a long period of time. “They pay close attention to values, culture and alignment. What does that mean in practice? We saw significant investments in creating an appropriate corporate culture, employee training and executive development among these companies,” she wrote. In what ways are you investing in your people with opportunities for education, inspiration and career advancement? What more can you do?

Give people a worthy challenge. Do you know which organization recruits more of the top graduates from America’s top colleges? It is not Google, IBM or Microsoft. It is Teach for America, a non-profit organization that puts incredibly bright young people through a strenuous boot camp where they learn to be great teachers. It then sends them off with a two-year commitment to teach at an inner city school.

One of the great paradoxes of leadership is that people tend to be most loyal to leaders who expect a great deal from them. Think about your people and your organization. What more can you do to let them know that you expect each of them to achieve their full potential, both with your company and in their personal lives? What more can your organization do to pursue a mission that transcends making money? Who could and should be more committed to “green” than the turf industry?

Stick with people through hard times. When Columbus Regional Hospital in Columbus, IN was inundated by a flash flood in June 2008, basic services were shut down, the hospital was closed for five months, no revenue was coming in, and the hospital knew its “best places to work” culture and high performing workforce could be at risk. The executive team and board decided to keep everyone on the payroll for five months, at a cost of more than $30 million – money that had been set aside for a new patient tower and emergency department.

The hospital reopened with staff intact. It continues to be rated as a best place to work. It also has been nationally recognized for its Innovation Center, a facility made possible as a result of flood-related rebuilding. Do your people know that you are committed to them through good times and bad? What more can you do to strengthen and communicate that commitment?

Make it fun. I love to tell the story of an industrial ventilation system in Lexington, KY that was once known as HVLS Systems Inc. They make the high volume, low speed fans you see in factories and warehouses. They got a new marketing director who convinced the boss that the name was boring and uninspiring, and that they should change it to what their customers all called them. The boss finally gave in and they changed the name from HVLS Systems to Big Ass Fans. They hired William “The Refrigerator” Perry from the Chicago Bears to be their spokes- ass, adopted a herd of orphan donkeys, and did a whole lot more to build on the theme. In an industry not widely known for whimsy, they gained huge name recognition by “being fun” a source of competitive advantage.

Loyalty and the future of your company. The long-term value of your company will be substantially defined by your ability (or inability) to earn the loyalty of good people. That is really the acid test of leadership, isn’t it?

Joe Tye is CEO and head coach of Values Coach Inc., Solon, IA. Values Coach provides training and consulting on values-based life and leadership and cultural transformation. Tye is a frequent speaker and author of 12 books, the most recent being All Hands on Deck: 8 Essential Lessons for Building a Culture of Ownership. For more information, visit www.JoeTye.com.

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