

Six Ways to Realize Your Employees' Full Potential

By Rex Bothwell

In decades past, competitive manufacturing was about the product. Whatever that product was, customers wanted it to be the highest quality and the best price. Those attributes were what generated sales. Today, quality and price are still selling points. But thanks to technology, more and more manufacturers are turning out equally excellent products, at equally low prices. Quality and price are no longer differentiators, because a customer can go to many companies and get the exact same thing.

Today's business differentiator is a company's people: its culture and vision. The relationships the business has with its customers are critical to its success. The bond between a company and its customers depends highly on the quality of its people. Therefore, in an uncertain economy, acquiring, building and retaining a strong, dedicated workforce is more important than ever.

As an organization, how do you become intentional about selecting the right people to lead your organization forward into its future? It requires skill and focus versus operating from gut instinct. Our motto at Organizational Concepts International is, what is not measured is not managed. We've designed this process to reduce guesswork and increase the likelihood of acquiring and retaining workers who add value to your company.

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Photograph by Craig Bares



1 Let your goals define your people.

The first step in having a strong, dedicated workforce is to decide what goals you want to achieve—what strategic outcomes you would like to realize. What will drive your company forward? Will it be price? Innovation? Customer service? Efficiency?

Ideally, all of these aspects and many more will factor into your efforts. Choose a focus and define the company's primary vision early so you can hire employees with critical competencies. Once you know how you will measure success, it becomes easier to make hiring decisions for the people who will achieve the business results that your company needs.

Make a list of knowledge, skills and abilities—the competencies you need your employees to exhibit. Also consider competencies your investors are seeking. Investors often look for the business to have a workforce that demonstrates market knowledge, innovation and resiliency, and that can compress time to results and money, translate business issues into financial solutions, and reinvent the business every 36 months. Once you have your competency list, decide which part of your workforce should exhibit which skills. For example, while everyone should have interpersonal skills, only the execu-

tives need to have a strong ability to conceive of and implement strategy and vision.

2 Hire the right people.

You have your ideal employee all mapped out. How do you know if that person sitting in front of you is the right one for the job? All too many businesses rely on gut instinct or intuition when hiring a new employee. If they seem like the right fit, then they probably are, right? Maybe. In today's world, when the cost of hiring a new leader can easily become a six-figure investment after recruitment efforts and bonuses, that's a big risk to take.

To make more effective hiring decisions, use a behavioral-based interview process to gauge an applicant's competencies against the competency list for the role they are being considered for. Behavioral-based interviewing shifts the focus from the applicant telling you they are resilient, to one in which they need to tell you about a specific example where they demonstrated resiliency. So what does that sound like? Instead of asking, "Are you resilient?," say something like this: "Talk to me about a time when you had a significant setback in your career or in your life. How did you deal with that setback?" Behavioral-based interview questions challenge the candidate to articulate what they really have done in that situation and how they handled themselves, giving you a much clearer sense of a person's actions and abilities.

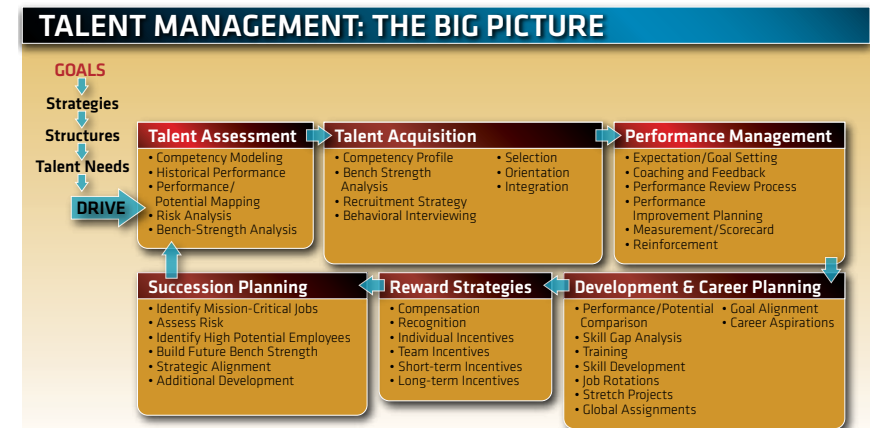
3 Review performance thoroughly.

When performance isn't reviewed and discussed properly, it can raise the anxiety levels of the individuals involved and create a barrier to achieving business results. To drive performance, it is important to set clear goals and to have competencies and metrics to measure against. That is part of the contracting leaders do with their employees to set expectations, allow for ongoing performance discussions and align behaviors and priorities with business results. We also recommend using a 360-degree performance review process. A 360-degree assessment provides

more objectivity to the process of reviewing a person's performance. In this technique, employees solicit feedback from peers, bosses and subordinates through a series of benchmark competency questions about their work. Then, each employee meets with his or her superior to review the feedback. The employees, along with their supervisors, work together to identify who provides feedback, which lends a collaborative quality to the review process. It also allows for feedback from more than one person and promotes open, honest, constructive comments.

On an individual level, this method gives people

Six steps to manage your company's talent pool.



a clear understanding of both what is expected of them and where their strengths and relative weaknesses lie against those expectations. They will be better informed about their value and position in the organization and know what they need to do to develop or improve, which brings more value to them and to the business. Studies indicate additional benefits from this, such as higher employee retention and engagement.

4 Invest in workers' futures.

Having a thorough grasp on each employee's strengths and weaknesses from a variety of perspectives will let you make more informed choices about whom to groom for future leadership roles. It will also help you to decide which individual and company-wide training initiatives would have the most positive impact on employees' ability to contribute and therefore impact your bottom line.

To pinpoint which company-wide training initiatives you should tackle, look at competency areas from the 360-degree assessment. Which

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skills were people widely lacking? You can also ask the workers themselves to identify areas where they would most like to develop skills to improve business performance and results. The advantage here is that workers will feel empowered, change for the better and be happy about it at the same time.

If, after all of the assessments and feedback, you are still not sure where to focus your training efforts, a safe bet is on interpersonal relations. Interpersonal relations are the most common skills gap we see in our client businesses, especially among people being primed for leadership positions. In most organizations, there is a classic pattern of taking technically competent people and promoting them into leadership roles. But in many cases, the talents necessary in the technical, individual contributor role are very different from what's required in a leadership position. For a great engineer to manage a group of engineers requires a very different set of competencies, which can make all the difference between success and failure in a role.

Gauge your employees' performance and potential to better determine ideal positions and duties.

tional individual and group contributions with recognition among workers' peers. This helps everyone know what the organization expects and what a positive contribution is. It also helps to foster an employee's engagement in the company, which will help the company to survive if it falls on hard times, because people will be more willing to stick it out for the good of the company than to leave the minute times get tough.

6 Build your bench strength. Knowing your employees based on their competencies will also help you when the company wants to move in a different direction. Companies invest a significant amount of money when they cycle employees to different departments and different positions. If you know where each of your employees excels, you can make organizational changes more quickly, because you can play to your employees' strengths. This is key to building future bench strength and a strong succession pool.

To define which workers could do well in a larger role, we use a nine-square matrix, which gauges a worker's performance and potential. Workers highest on performance and potential are most likely to be good candidates for promotion, as long as the promotion reflects their specific skill set. If a worker falls in the middle, consider giving them a "stretch" project to see how they can handle the responsibility.

Worker acquisition and retention are going to become even more crucial as the pool of Minnesota's manufacturing workers continues to shrink. The Minnesota Department of Employment and Economic Development (DEED) estimates the industry will lose 6 percent of its workers by 2020. Our

| GAUGING EMPLOYEES' PERFORMANCE AND POTENTIAL | | | | |
|--|----------------------|--|-------------------------------------|-----------------------------------|
| PERFORMANCE | Exceeds Expectations | Competent but Not Promotable | Promotable | High Potential |
| | | Fully Proficient | Does the Work | Needs Development in Current Role |
| Needs Improvement | Redirect | Possibly in Wrong Position or New to Job | Potential to Expand in Current Role | |
| | | POTENTIAL | | |
| | | Needs Improvement | Fully Proficient | Exceeds Expectations |

✓ Indicates employees who are considered "high risk" to leave the company and "high impact" if they did leave

5 Remember that "reward" doesn't always mean money.

Raises and bonuses are always welcome. But when it comes down to reasons that workers stay, money is not first on the list. People want to work for companies that appreciate them and recognize achievements in their work. Positive behaviors that are recognized and rewarded will often be repeated. Reward excep-

client companies have seen retention rates go up by 10 percent or more by using our talent management process. And when they hire new workers, they can rely on more than a good handshake and a convincing smile to make the right decision. ■

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