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GETTING YOUR PEOPLE STRATEGY RIGHT

Seven ways to grow and protect your most valuable asset.

During my last week at Columbia Business School, my good friend Jesse Hertzberg ('03) challenged me to define my career ambitions in one sentence. It didn't take long for me to blurt it out and then write it down so that I would remember: "To unlock the potential of individuals and organizations so that they can realize their fullest possibilities."

But for ten years, I was so focused on my own ambitions for my organizations that I failed to see the importance of individuals. Like most leaders, I've lost great employees for myriad reasons. They didn't like their manager, for example, or they found another job that paid 15 percent more.

I've also hired the wrong people, risking not only the momentum of the organization but, more importantly, especially for a young organization, its culture. These experiences have helped me hone in on a critical part of leadership: Simply put, you can't unlock the potential of an organization without unlocking the potential of its people.

Every firm needs a strategy to recruit, retain, and inspire the best people. Here are seven ways to grow and protect your most valuable asset.

1. Get the right people in the right places.

While the wrong leader sits in the window office, the right one may hide behind a cubicle wall. Look for employees' real strengths and move them into the right roles. A top-notch engineer, for example, might be better leaving managerial duties to a trained manager. Once you have the right leaders in the right places, empower them to rebuild their teams; trust them to hire people who will complement and enhance existing strengths.

Now is also the time to envision your company's ideal organizational structure, considering its future evolution and growth. Where are the talent gaps? By developing a "future-state" chart, you can clearly see what you need to build during the next six to 12 months.

And sometimes you have to take a deep breath and let a few people go. Which brings us to...

2. Let go of the wrong people — and eliminate unnecessary roles.

Identify the people who are no longer contributing to the company in a meaningful way. Challenge the number of layers in the organization and the roles that seem unclear or unnecessary. For example, look for ways multiple teams could fall under one effective leader.

Once you've identified the people to let go, help them find their way out of the organization. Sometimes a candid conversation will help people move on. Alternatively, a round of layoffs may be needed to expedite the changes.

3. Find new talent with a targeted hiring strategy.

The next step is creating a targeted hiring strategy to bring in new blood. Invest the time and effort in a detailed job description. Decide whether you want to hire a search firm, use LinkedIn, recruit on college campuses, hire on a "temp-to-permanent" basis, or stage your own episode of America's Got Talent. The key is to have a plan in place. And remember to spread the word through informal channels, too, with specific desires and, perhaps, specific dollars. Sometimes, a referral fee can help you get the right résumés flowing through the door.

4. Screen, screen, screen.

A wide variety of screening tools will fit any company's needs. The point is: Look beyond college prestige and GPA, and use more than one screening tool. Before the interview process even begins, make sure you're interviewing real, authentic potential fits for the position by drilling into candidates' résumés and looking closely at their responsibilities and achievements at prior organizations; do they have the experience necessary to succeed, or will someone have to hold their hand for a year?



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I recommend personality tests such as Kolbe, along with intelligence tests such as Wonderlic, to reveal the candidates' hidden strengths and weaknesses. If the position requires math skills, give a math test. If it requires writing skills, give a writing test. Doing the tests onsite offers insight about a candidate's ability to handle time pressure.

Most importantly, screen for the culture of your company. Will they be able to live up to the standards and values of the organization? Will they fit in with others? In the face-to-face interviews, ask them how they would respond to different situations to see if they truly believe in your organization's values and standards. Also make sure that all interviewers are using the same set of standards and rating criteria so the right debrief conversations happen.

While no single screen will provide all the information you need to know about a candidate, collectively they can be helpful signals that indicate whether the individual will be an asset or a liability.

5. Have a development plan for every employee.

Education and training that are prerequisites for many positions can take several years and many thousands of dollars. So why should it end when your employee walks in the front door the first day on the job? A professional development plan (with specific guidelines for goals and the skills to get employees there) must be created as the employee integrates themselves into their new role.

Good development plans include relevant training as well as participation in firm-wide projects, such as "lunch and learns," that can help employees absorb the company's culture and knowledge. Professional development should also be part of the annual review process; every year, employees and managers should revisit these blueprints to make the necessary adjustments for success.

Performing skill gap analysis across the firm can also help managers develop a training program that is customized to the firm's needs. What specific skills and knowledge do various functions or groups need to be successful, and how does the existing team align with those measurements? Training may include Excel shortcuts, financial modeling, or a workshop on how to write an effective e-mail.

Remember that training is an investment in your most important asset: don't under-budget this line item.

6. Hold on tight to your talent.

When a key employee leaves, it can drain value from your company more than you know. So how can you prevent the best people from departing?

First, ensure strong communication between high-potential employees and managers. Are employees' expectations being met? Try using informal lunches, drinks after work, or an occasional walk outside your office as a way to stay connected to your employees to make sure the company is keeping up with their professional ambitions. Sure, their talent may sometimes grow beyond the demands of the job, but that's where flexibility is essential. Perhaps a six-month project will give them the exposure and experience necessary for that next internal job. You need to help them identify a clear career path within the organization to ensure that they are actively engaged and growing.

As long as employees are growing, they're more likely to stay; money is not the key retention factor. Envision success as your ability to unlock the talent of others and you will create and inspire future leaders in any organization. Recognize and celebrate high-achieving employees to reinforce positive behavior and keep morale high.

7. Be ready to pounce.

This comes down to having a flexible budget so you can seize the opportunity when that perfect candidate comes available. Communicate that you are always looking for the best and brightest talent out there even if there are no formal positions available. This can help bring in leaders for new key projects, or even new lines of business that you would otherwise not be able to pursue.

A few final words...

Integrate your people strategy into your strategic plan. This will provide clarity not only to the executive level, but also to everyone in the company.

People can go from your biggest pain to your greatest relief when you simply take the time to focus on your approach. And if you become a place that becomes known as a breeding ground for top talent, you'll get even better talent coming through the door. Good luck!