

KEEPING YOUR BEST PEOPLE ON BOARD

by David Rains

My mother went to work for a company and retired after 34 years. One job, one company, for all those years. Now, granted, she was not in factoring and it was a large corporation. However, she felt a loyalty to the company through good and bad. Even to this day, she supports her old company far more than I think she has reason to. Regardless, I cannot tell you how many times she has said, "They put food on our table for all of our lives, and we owe them a debt."

That is not the way the marketplace is today with either employers or employees. Before Jack Welch went to GE, there was some loyalty to the company to the employee. It was not long before GE was known as a "churn & burn" organization - very good money and very good benefits, but you never knew when a rule would change and you would be out on the street.

So, as the years have passed, our culture and systems has evolved to one of very little loyalty in any direction. How, then, do you keep your best people in place? What causes a person to look at another field and say, "The grass is greener in that place." As a recruiter, one of the first questions I ask is, "Why would you consider looking at another opportunity? What is happening in your current situation that makes you feel you would like to explore a change?" You would be surprised at the answers.

The main reason is **not money** and in fact, money is most often 3rd or 4th down the list of reasons people look at other options.

I have found the main reasons to be:

"Lack of trust and/or respect." Two very high producers left their positions this year and went to other companies for one simple reason. They had been promised something and it had not been done. The company did not keep its word; therefore, the perception was the company had lied and could not be trusted. One BDO was #1 in the nation for his company; the other was in the top 5%. They were secure in their abilities. When they felt betrayed, they were gone.

Both were heavily counter-offered by the companies for **more** money than they got by leaving; however, on both cases, they refused to even consider the counteroffer because they did not trust the company. In addition, they felt if they were worth what the counteroffer was **before** they turned in their resignation, then why were they not told before they had found another position. Again, the trust and respect was breached.

"Opportunity for advancement/challenge" is another big factor. You might hire someone who is relatively new to the industry, give them an opportunity, train them, and give them the tools they need to be successful in our industry. Naturally, you pay them entry level compensation to begin with; however, if they progress well, then it is essential that you provide them with a career path, ways and opportunities to advance. If you take them for granted, in more cases than not, you will lose them. It is easy to get in the mindset, "I made them what they are" or "I taught them everything they know." However, if they are a success, regardless of who trained them, they learned and became the success you were seeking; therefore, it only stands to reason they deserve to be compensated with a career path and the opportunity to move forward. They have a new value. Failure to do this will result in having to train someone new every few years.

"Poor and/or Inconsistent Management" Especially in smaller organizations the personality of the principals largely determines the working atmosphere. That is good in some situations, and in others it is not. If you are consistently losing good people, perhaps it is time to look inwardly to see if, in fact, it could be the management of the company. This would probably be the hardest thing for any of us to change (our ways and means of doing things) but the definition of insanity is to continue to do the same thing and expect different results.

So, a retention policy should be one of the strategies of your com-

pany. If you lose someone, probe why they are leaving. At this point, it is probably too late to try to salvage **that** person; however, by taking a little extra time to find out why they are really leaving, it might save you thousands of dollars down the road by identifying a problem for you to correct. Unless they are getting a 20% or more raise, though, don't accept the "more money" line, because it is usually just not true. Changing jobs and companies is a traumatic experience for a person, and unless it is a great amount of money, this is probably not the whole story. Find out and correct the problem.

Another retention strategy is to talk to your people and ask them what parts of their job they really like and what parts they dislike. This shows compassion for how they feel, and if you know this, you may have the capabilities of restructuring the position to some extents. You might then be able to put more of their preferred duties in place and reassign some of the others. A happy employee is a more productive employee. Even if you cannot restructure the duties, by showing empathy to that valued person, they at least feel appreciated for the effort they are expending.

When you add up the tremendous costs of hiring, whether or not you find the right person who is a good fit for the organization, the re-training, etc, the cost of retaining looks small. When you add the consideration that there may be a million dollars or more production difference between a good candidate and an excellent one, it is just smart business to stay close to your people, let them know you care about them and generate loyalties in them like my mother's company did 34 years ago. All new ways are not the best ways.

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