* Employees are our biggest expense.
  + We want to use this resource **effectively and efficiently**
* Studies done by the SHRM show the cost of turnover is 16-20%.
  + For mid level manager appox. $8,000,
  + $10 per hour that cost is about $3,300 per year.
* With high **cost of turnover** we have to think about
  + making the **right choices when hiring** employees
  + how do we r**etain our exiting employees**.
  + We need an **employee retention strategy**.
* Effective retention plan has foundation in **employee selection and employee motivation.**
* Most of people do not spend the majority of their time hiring:
  + Think about **motivating employees through coaching**.
* Most effective employee retention plan begins with choosing the right people
* One of the biggest mistake is thinking the best candidate is the one with the most experience.
* Managers are happiest with the **right attitude** and **adequate experience** 
  + Or even a **novice** who is highly motivated
* Ask yourself a couple questions when looking to fill a position:
* Who was the **last person in this job**
  + **why were the (not) successfu**l?
    - **will help you target your search** to the predictors of success:
      * **right skills or attitude to succeed**.
* **What Experience might be similar** and/or lend itself to this position?
  + Customer Services
    - Nordstrom, Target, Starbucks
  + Sales Positions
    - Organized sports
    - Cell phone or cable companies
* **What am I willing to train on/ how much time to I have to train**
  + If business need determines that not enough time to train
    - **may need to focus search those with previous experience** doing the same or a substantially similar job.
  + Someone with experience still needs some training on policies and procedures and culture.
  + **Allow for the maximum training time**
  + **Training is an investment** in the development of a new employee (dividends)
  + When looking at a resume **watch for red flags:**
    - * **large gaps** in employment
      * **steps back** in job title or responsibilities
      * **overqualified** candidate
      * **frequent job changes**.
    - Indicators that the person won’t stick around
* **prepare a set of questions** you think will help you uncover predictors of success
  + **skills,**
  + **Attitudes**
  + **behaviors**
* **Do not let a candidate walk away** if you have any unanswered questions.
* I ask everyone:
  + “Tell me about a time when you encountered a problem at work you did not know how to solve.”
    - Learn how they employee **approach uncertainty**
    - Are they willing and able to work hard to solve problems.
    - What was the **approach**
    - What **learning happened**
* Follow up with “Why did you choose that way to address the problem?”
  + Important because it helps understand **what motivates** the candidate and are they are the **right fit**
* “Tell me about a time” questions are behavior-based interview questions.
  + Effective because behavioral science tells us:
    - Best predictor of future behavior is past behavior
    - That is what these questions are designed to uncover.

* Problem to solve:
  + Candle Problem:
  + who came up with this solution?
  + Requires us to stop looking at the box of tacks as just a vessel
  + Literally requires outside of the box thinking.
  + Done by a scientist at Princeton University.
    - The first group timed to establish a baseline
    - The second group was offered an incentive;
      * top 25% fastest times$5
      * fastest time gets $20. So
    - How much faster for incentive group?
      * On average they took 3.5 minutes longer.
    - Not an anomaly
      * Replicated many times
      * Written about by Dan Pink in:
        + Drive, The Surprising Truth About What Motivates People.
  + Why did the second group take longer?
  + What can we learn as leaders in our companies?
    - The traditional carrots and sticks doesn’t work for our 21st century problems.
    - The traditional model works by concentrating the mind and narrowing our focus
    - Hinders creative problem solving where we need people to broaden their scope and look outside of the box for unique solutions.
* Question what does motivate employees?
  + Studies out of Oxford and MIT show 3 fold:
  + **Autonomy,**
  + **Mastery, and**
  + **Purpose (or Meaning)**.
  + This is what Dan Pink has wrote about
  + Did you notice that money is not on that list?
  + Money is only a motivation to come to work,
    - Not motivator do best work.
    - Must pay equitable wage

**Autonomy**

* Business owners and managers determine :
  + how much autonomy each job has.
    - build as much autonomy as can be reasonably allowed
    - Evaluate:
      * **how,**
      * **when**
      * **where the job can be carried out.**
      * **Must trust the employee’s judgment**

**Purpose**

* Understanding how to meet the need for purpose:
  + Cues from Duke University Study.
    - First group turned in word jumbles and facilitator said “Um Hum”
    - Second group the facilitator just put paper in stack
    - Third group facilitator would immediately Shred.
    - Third group quit after approx. 3 jumbles
    - The first group approx. 6 jumbles
    - Second Group results were identical to the first.
  + So what did this teach us?
    - we can motivate employees & create a sense of purpose with small amount of acknowledgement and recognition,
    - Can discourage easily by ignoring efforts.
      * Ignoring = Shredding
* Finding purpose does not have to be serving humanity.
* Employees need to see and feel their value
* Tell an employee why they are important.
* Employees need real time feedback
  + when they are doing well
  + to help them learn when they are not

Mastery

* How to help an employee fulfill the mastery component of motivation.
  + “Moments of truth.”
    - When you can exceed a customer’s expectations and earn their loyalty
    - “Moments of Truth” exist in the employer-employee relationship as well,
    - Can be bedrock of a solid employee retention plan.
  + A Moment of Truth → Teachable Moment when an employee has:
    - Mistake
    - Error in judgment
    - Undesirable behavior.
  + Using these teachable moments coach an employee
    - Hold them accountable for improvement
    - Guide them and help them fulfill desire for mastery.
    - Show them their performance matters
    - Help them to learn from those mistakes.
    - Requires we become good coaches
    - Provide with value added feedback in real time.
  + Goal is to approach critical conversations so the employee walks away feeling
    - inspired,
    - motivated,
    - valued and
    - recognizes there is opportunity for improvement and
    - has an idea of how to improve.

***Seek To Understand***

* First stage in employee coaching is Seek to Understand.
  + When something goes wrong – Seek to understand.
  + Begin conversation without making assumptions
  + Be there to ask questions
    - find out what happened & WHY
    - Begin with objective facts.
      * I noticed this
      * A customer called and said this
      * This information was shared with me
    - Ask for their perception of the situation.
      * Why do you think this happened?
      * How did you feel that interaction went?
      * Why do you think they might say that?
    - Do not presume
    - Do not discuss potential consequences outcomes
    - If this is first occurrence empathize with their decision by
      * “Now I understand how you came to that conclusion.”
    - Ask what they might do differently next time.
    - Should not feel punitive
      * People make mistakes
      * The job of a good coach is:
        + Use these teachable moments to learn about breakdowns in our processes, procedures, and policies.
    - **During a STU tone matters!**
      * If tone and manner is relaxed the employee will
        + not feel defensive
        + you have opportunity to get to the root problem.
        + Often through STU I find lapses in training
        + reprimanding the employee would have been demoralizing
    - Offer support,
      * what do you need from me to support you if this comes up again or to better handle these situations?
  + By being empathetic and Seeking To Understand can use this as a moment of truth
  + Help guide and empower them make better choices & solve problems on their own.

***SBI***

* Have a repeat of a same or similar behavior
* Seek to understand why employee has not applied their previous learning
* Standard-Behavior-Impact format.
  + Say the standard,
    - what the employee was expected to do
    - Or Previous Committment (Close the loop)
  + State the behavior
    - What the Employee did (Behavior)
  + Share the Impact their behavior had on the company, the team, the customer, etc.
* Because we have a repeat of the same behavior
  + Ask for their ideas,
  + Offer our own if their ideas won’t get the job done
  + Still should not be punitive.
  + If our goal is truly to develop our employees and motivate t
    - Approach these conversations as detectives.
    - Uncover the root
    - help the employee to solve their own problem.
      * Is the problem an ineffective process? Is the problem that they do not understand the policy?
  + At this stage looking to understand why they made the choice
  + And hold them accountable to improvement.
  + This type of blueprint for coaching conversations helps us coach our employees up,
  + If Employee continues problematic behavior same format will allow us to coach them out of our.

***SBIC***

* Employee again repeats the same or similar behavior after repeat coaching,
* Need to proceed to a stronger message.
* Use same SBI format, add step of saying consequences if the behavior continues.
* We have tried to understand the whys t
* Asked the employee to come up with a plan
* Identified obstacles to success and removed them.
* Now we must communicate that behavior or actions are disruptive and there will be consequences if continued.
* Want employee to know we care about their development and growth, and for the sake of the business we must insist on change.
* “What are you going to do different next time to make sure we don’t have this situation again?”
* Brainstorm together to discover anything you don’t already know
  + what is preventing them from doing their best job,
  + understand why this keeps happening,
  + share that they have support in making the necessary changes
  + you will provide them with any reasonable resources
  + before they walk out recap
    - What is going to change
    - What your expectations are moving forward.
  + At this stage we looking for
    - Employee to say specifically they recognize need for change
    - They will make the necessary change.
    - Goal is to retain the employee and get their best work,
    - Turn this employee’s teachable moment, into moment of truth where we work through the problems with the employee by providing support and guidance as their coach.
* ***Tracking Employee Coaching***
  + Should be done in real time
  + Done in a dynamic way
  + Do not wait until
    - you will most likely have forgotten something, and your notes will be incomplete.
  + You should track employee coaching in a way that it can be easily accessible so that you can pick up where you left off,
  + provide value-added coaching and feedback as you move through the process.
  + GoogleDocs are free useful tools for small businesses
  + What should you be tracking?
    - All coaching conversations
      * Allows for a smooth process
      * demonstrates to the employee you care about their development and value their progress.
      * Information that is written down can be requested by the employee as a personnel records
        + stick to objective facts.
        + Avoid anything that can be seen as subjective
        + Avoid anything that would or could identify their protected class like their disability status, leave of absence status, age, gender, etc.
  + Say what happened, what you did, what the employee said, and what the outcome was.
  + Know your audience
  + keep these types of notes is in your own defense.
    - If you ultimately have to proceed to negative employment action.