* 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.