

# Attract and retain employees

Finding and keeping great people is the most significant challenge facing HR practitioners and organisations today.

By Dr M Amr Sadik

A few years ago, as CHRO, I was challenged by the Chairman to find a new CEO for our operations, a family-owned confectionary development company, to expand and develop its operations. It took quite some time, almost six months, to find the right person with the right background who was able to move the organisation forward as required.

The discussion on attracting and retaining employees is not new, but recent articles about brain drain and how the city of Dubai attracted talent to return, and also how Malaysia have created a system for the same purpose inspired me to think deeply about the frustrations among organisations and HR practitioners of not getting the people they were looking for.

So, if you are wondering why A-type, super employees or the top notch are not coming to your organisation, this article will bring into focus the extent to which human resources management practices, organisational culture as well as management thoughts affect getting and retaining high calibre members and hinder the entire process.

Presuming that the right recruitment system and ingredients are in place, getting the right people to work for you simply does not happen without believing that people need more than pay cheques to work and more importantly clearing our minds from old thoughts and above all understand that slavery is over.

## Scarcity of competent employees

In recent decades, many countries have witnessed rapid development in all facets of management and technology due to the dynamic impact of the global

economy and an influx of western theories, practices and ideas. As a result, organisational structures have changed and have also deeply altered the very fabric of the ultra-competitive employment landscape in some countries. Also, the globalisation of business compels firms to search beyond their home markets to compete for the people who can help them to adopt such practices.

Transformation in technology and management practices are handled by competent, experienced and educated people who became rare resources since the early 80s onwards due to the massive immigration phenomena that took place in late 60s and early 70s in countries such as Egypt, for better lifestyle, working conditions, political regime and educational purposes and, in the case of Lebanon, because of civil war.

To-date, top management and HR practitioners are always complaining when they are unable to recruit the candidates that can move the organisation forward to compete, gain and sustain the competitive advantage. They are spending a tremendous amount of money and time searching for high calibre employees, but are still dissatisfied with the results.

McKinsey & Company invented the term "war for talent" in 1997 and, as a result, all companies, regardless of size and activities, entered a race to find talent and get it on board, and the term has become one of the most important new buzzwords in Corporate HR to date. However, despite its growing popularity, the concept of talent remains unclear and its definition is deceptively misleading.

Unfortunately, talent was never explicitly defined, and companies do not know how to define it, nor to manage it. Definitions are vague, meaningless or very broad statements. Unfortunately we do not think things through and, instead, we just take things for granted or reacting blindly.

Both HR practitioners and management alike are unable to critically analyse their practices and the perceived perception about people in order to be able to understand the full picture and then challenge it, in order to improve the results of hiring and retaining good people. They have what I call functional blindness. They are unable to face reality and confront the brutal facts.

## Context of the resources

People management is critically important to companies because of the substantial opportunities and challenges these organisations face today. Growth of traditional sectors, such as telecommunication and energy, as well as global expansion is challenging them to source the right people and sometimes causing severe shortages of skilled people at all levels and threatening growth in emerging countries.

How many have faced these annoying statements from the boss, despite the fact that they have done their homework to get the right people on board?

- We can't find what we are looking for;
- It took a long time to fill the vacant post;
- I'm not satisfied with the quality of employees we are getting;
- Ads don't bring us good quality people;
- The employee left us before completing one year; and
- What is wrong with our recruitment and selection strategy?

HR practitioners are stressed out when it comes to hiring and retaining the good guys. CEOs are yelling, "Where are the good people?" This is preposterous.

So, it seems that there is something wrong with the current methodology of attracting and retain people. Thus, it is time to think out of the box and find a new solution.

In a competitive business environment, organisations are struggling with finding the right people for the board. They do everything possible to recruit people with the right qualities, qualifications and experience.

They do that because they need to survive and compete in a fiercely competitive market, and ultimately no one can compete without having the right people. Technology or infrastructure or financial resources are not sufficient enough. They don't do the job/work; they are just supporting elements. People do. Only with highly skilled members do organisations have the opportunity to compete and thrive in an era in which work tends to be complex, customised and rapidly changing.

Recruiting and selecting people is a lengthy process and costly as well, and this is an undeniable fact that we cannot argue against. Moreover, the results are also not guaranteed in terms of getting what you were looking for. People procurement strategies and techniques, despite their importance, may seem relatively insignificant in the current century. We thus need an innovative approach.

Conventional wisdom dictates that the market is employer-driven. But due to globalisation such a concept doesn't fit any longer in today's business world. It has now shifted to be employee-driven,

particularly when it comes to a high calibre workforce of superstars and high achievers. Those elite people select where they want to work, with whom to be associated, and how much they have to get, as they know their financial worth in the labour market. Moreover, they decide for how long they will be willing to stay in the company, all of which organisations don't get or see. Once more, organisations prove to have functional blindness.

On the other hand, shortage in the labour market is a hoax that we often use when we can't find or get what we are looking for. This is the hook on which the organisation hangs its failure in recruitment.

There are plenty of competent people around us – hundreds and thousands – but we don't want to see them and admit or face the reality that the market is no longer employer-driven. We are too arrogant to acknowledge such a fact.

## Perspectives of recruitment and retention

Employee retention is an effort by an organisation to maintain a working environment that supports current staff to remain with them. It is a process in which employees are encouraged to remain with the organisation for the maximum period of time. Whereas recruitment is a process of getting talent on board and the most time consuming and critical aspects of running a successful business, recruitment can be viewed from two distinctive perspectives. aa

The first focuses on the organisation or employer, how active and aggressive the process is, and the recruitment factors as well as tools which may influence the effectiveness of recruitment. Was the whole process and the message well-conceived by the public or is there ambiguity that needs clarification? Did we utilise the right tools? Did we create the right personal profile? And those questions can go on and on, without excuse for hiring poor performers. Bad hiring costs the organisation dearly and, no doubt, we have all experienced it before. From the organisation's perspective, recruitment is the process of seeking the most brilliant and motivated applicants and, as such, is a bedrock function.

Another critical question employers may ask themselves is: how long is the employee going to stick around? And finally, they need to decide on whether they will select based on skills-fit or organisational-fit.

Some organisations have adopted the inside-out approach, and use word of mouth and other informal practices to say how great they are and how generous their benefits and compensation are. It seems to be working for some but not for others.

Nevertheless, the size of the labour market and criticality of the required skills can influence the entire process. For example, in 2001/2002 when I was associated with a telecommunication company, we were unable to get local qualified staff that could

work in engineering and HR functions because both disciplines had not been introduced at the local universities. Thus, we depended entirely on expatriates.

What are the costs associated with hiring people? Some HR studies say that the total costs to replace a competent manager are as much as 150% of the departing person's salary by the time recruiting, training and productivity costs due to losses with current customers are factored in. Another UK study says it is about 4500 pound sterling per vacancy. Both studies didn't take into account the knowledge factor that can't be replaced easily if the departed employee was a long employed one.

The second perspective concerns the applicant themselves. How lengthy is the process? How fast will the hiring decision be? What kind of working culture is adopted? Who is my boss, with what kind of qualifications and background? What sort of package will they offer me? What are the benefits? Do they invest in training and development?

Furthermore, professional and experienced candidates can spontaneously evaluate whether the organisation is the right one for them or not. The impression and climate that is created during the process can ultimately determine the success or failure of the recruitment efforts.

Candidates reject an organisation's offer mainly due to cold, unkind or dilatory treatment, simply saying that they were not treated as a customer.

## Theory of delusions

"A delusion is defined as a belief in something despite the fact that it's entirely untrue." The business environment is characterised as highly demanding, volatile and violent. Under such business conditions, organisations face numerous challenges in their pursuit of competitive advantage. They may struggle to compete and survive and, to compete, they need people to do the job. But not any people. Only the right ones. And that's where the challenge lies.

Organisations vying among themselves to unearth competent members and employ them is not a new phenomenon. This is fundamental to success, but the road to finding those employees is not paved.

One of the challenges is to find, acquire and retain the right candidates, and those employees are rare and in limited supply, and very much in demand. That's why recruiting such employees can be quite costly, especially for smaller companies who lack the resources of larger corporations.

Regardless, if those top quality employees are hard to find or there is a significant brain drain in the country, shouldn't employers do everything they can to attract and retain them, provide the right conditions, and accommodate their expectations? In theory, the answer is yes. In practice, things may turn out otherwise.

That is one of the most widespread delusion

management convinces itself about.

As the late father of modern management Peter F. Drucker said, no institution can survive if it needs geniuses or supermen to manage it. It must be organised in such a way as to be able to get along under a leadership composed of average human beings.

Employers are keen to hire high calibre people but at the same time reluctant to give and commit sufficient resources to pay and maintain them. They claim, "What can we do if we invest in them and later on they leave us? We may end up subsidising our own competition." That's where the paradox is.

But odds are the superstars you eagerly and expensively recruit will not last for long or shine with you unless they get regular updates on knowledge – training and development.

Unfortunately, this is the second delusion employers fabricate to cover their ignorance about the fact that, if they don't provide for and invest in their people, they will eventually go, regardless of if they like or dislike the work place.

Obviously, this is a problem of lack of trust between the two sides. If the company does not trust its employees and the employees see and can feel that, why should the employee do otherwise? I think this is where the core of the problem is.

The third delusion is the perception that employees usually search for an employer who pays a fat cheque. On the contrary, employees are looking for a company that treats them as people but at the same time they do not want to be underpaid. They are looking for purpose, flexibility and recognition.

The fourth delusion is about race and differentiation. Some employers as well as head hunters give preferences to certain nationalities under the impression that they do better job than others. They may not announce it in public. Such faulty beliefs create a negative reputation in the labour market. Organisations may lose serious, professional and competent members when adopting such an approach.

The final delusion is when an organisation feels superior in the market and has gained a reputation. For such reason, companies believe that it is more than enough for the employees to be associated with them even with a lower salary than what the market offers, or without appropriate benefits. A former colleague, A E, the Marketing Director at one of the international hotel chains in the mid 90s requested his Vice President to adjust his salary in line with other similar positions in the city. It was a very reasonable demand, but the answer was unreasonable: "It is enough for you to carry our business card," said the Vice President.

In a nutshell, when a company accommodates individual differences and nurtures them, when information is not suppressed or twisted and adds value to employees rather than merely sucking or

extracting it from them, when the organisation stands for something meaningful, the work itself is intrinsically rewarding, and there are no stupid rules, only then can they get the right people on board and retain them.

## The cure

Now it is the time to ask: why don't I get the employees I want? To answer such a critical question, stay away from the notion of brain drain, shortage of qualified people or over qualified talent.

Good people are everywhere, but you are not doing your homework properly to attract them. Ask yourself what will attract them to work for you.

There are legitimate reasons for their not sending you their resumés. You are simply not addressing their basic needs and you are making their lives so complicated by asking them to complete lengthy pages of the e-recruitment form instead of just uploading the required documents.

In 2009 I was associated with a very large company for less than a year. When I resigned, I was asked by the Group CEO, who was also the owner, for the reason for my departure taking into account the large salary I was earning. My simple and straightforward reply was "You. No one of your 8,000 employees worldwide will move a step forward without your permission, and such culture doesn't suit me."

Now we need to move forward and create a workable approach to recruitment without being a burden on the organisation and, at the same time, investing too much effort. It is not rocket science – we need to have a steady flow of candidates who are attracted to the company. Think of Google. Have you seen any ads for hiring? Personally, I haven't. It is all about building the right culture and then branding.

Cease Recruiting. Start attracting. It may sound contrary to the conventional wisdom of hiring and selecting people to join the organisation.

The concept of attracting versus recruiting might not seem to be an important issue in the current economic uncertainty where most companies are laying people off or freezing the hiring process. But, this is not a permanent situation and sooner or later this will change.

In the current labour market, companies have to promise more than pay cheques to turn potential employees on. Many companies have already realised the power their brand can have when it comes to attracting employees, and therefore you need to consider what your current public profile is, for better or worse.

The job market is full of competent candidates wanting to know if the company they are interested in shares the same values as they do and, to attract them, organisations need to offer above and beyond pay cheques.

Organisations should look in the mirror and see their own reflection and what they are offering to attract and retain employees, or they will regret it

later when no one wants to work with them or when good candidates flock to their competitors. They can avoid the phenomenon of labour market shortage, if it's true, by using people development, training or executive education and creating the right working culture.

## Conclusion

In today's competitive hiring market, employee recruitment and retention has become a more important issue than before to all organisations. The ability to hire and retain quality people can make or break your business. Unfortunately there is no one winning formula to attract and retain people, as we all have different ideas and views of what is the perfect employer and we are all at different stages of our lives.

Also, in light of what seems to be the general consensus among organisations about shortages in labour market and the difficulties they encounter in both recruitment and retention of employees, organisations therefore must re-address the entire process as well as package plan that they are offering to people to attract and retain them.

If we want to overcome the recruitment challenges and seriously compete and distinguish our organisations from others in the market, then we need to seriously ask ourselves: what are my hiring standards? Are we bringing in people who can upgrade the quality of our company significantly or are we just filling holes? Are we willing to leave a vacancy open until we find an outstanding candidate – for months, if necessary? Are we hiring enough people? Does my organisation have sufficient depth – a talent reserve bank to draw on or do we sometimes promote people we know will never really produce outstanding results? Do we address the requirements of top people? Can we break the rules to retain the right people? And so on and so forth!

We, furthermore, have to fully comprehend that the balance of recruitment power is shifting from employers to employees and this undeniable. Potential employees are behaving like consumers and are able to pick and choose where they wish to work. Compensation is the primary tool many companies are using to attract and retain scarce talent, but it is not enough.

After all, we are pretty sure that companies can defeat rivals by deploying better competent staff at all levels. Training and development as a branding tool can work for you far better than paying high fees to executive search and advertising. Everybody is looking for training opportunities – even the most competent ones. ■

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