How to find, hire and retain good people

An opportunity to share strategies, ideas and interests

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Summary

- Best practices are well understood, but continue to evolve
- How we'll use this time together
- Recommended readings

Best practices

- Not industry specific, but often role specific
- Widely studied – and reported about – by academics, trade associations and firms
- Not static, but evolving
- Yet, many firms, including media firms, do not understand or apply

How we'll use this time together

- Narrow the topic
- Five "thought starters" drawn from the literature
- Reflect on what works in your organization
- Come to the mics and share

How to find, hire and retain good people <u>in a period of continuing uncertainty, experimentation, insecurity and chance</u> – in other words, your world

Five "thought starters"

(In no particular order of significance)

#1 – The need for an end-to-end process

- "Hiring practices haphazard at best, ineffective at worst. Even when find right person, difficulty retaining," – Claudio Fernandez- Araoz et al

- Need an end-to-end process that all managers understand, apply

- Seven steps:
  - Anticipating the need for a new hire
  - Specifying the job
  - Developing a pool of candidates

- Closing the deal
- Integrating the newcomer
- Reviewing the effectiveness of the process

- Thought starter: What is the end-to-end process in your organization? Is it thorough, well-understood, applied? Use these seven steps as a checklist, an audit tool.

#2 – The Netflix two-prong standard

- "How Netflix reinvented HR," – Patty McCord
- How John's story inspired the first prong
  - Netflix downsized, then started to grow again, needing people
  - John, a head engineer, had supervised three others. Now a one-man band, working onerous hours
  - Told "we hope to hire soon"
  - "No rush … happier now … I've learned that I'd

- rather work by myself than supervise sub-par performers"
- First prong: "Best you can do for employees is hire only A players to work alongside them"

- How Laura's story inspired the second prong
  - Early hire as a bookkeeper
  - As Netflix grew, went public, needed CPAs
  - Laura's associate-degree level skills no longer needed, however much she contributed early

- – Let go with generous severance
- – Second prong: "If you want only A players, be willing to let go of people whose skills no longer fit, no matter how valuable in the past"
- Thought starter: Does your organization embrace an A-players-only strategy? If not, why not?

#3 – The myth of the digital native

- Millennials, those you are most likely to hire today at the entry level, born between 1982 and 2004
- Grew up in an all-digital environment, experts in <u>consuming</u> digital media
- Assumed they also are experts in <u>creating</u> digital media
- False
- Thought starter: Do you test carefully for the

- hard skills, experience, required for creation of digital media?

#4 – Embrace people with the innovator's mindset

- Test candidates for readiness to innovate. Industry-specific barometers are available for free.

- Explore with candidates their appetite for failure.
  - Failure isn't the goal
  - But innovators must be able to tolerate failure. "Embrace experimentation, not failure … Tolerate small failures to win big," – David Kelley

- Question persistence
  - Innovation requires a lot of trial
  - But trial – or trying – isn't enough. It's succeeding that matters
  - "There is no try. There is only do. Do or do not. There is no try," -- Eric Greitens
- Thought starter: What role does innovation play in your organization? How do you hire for the mindset of the innovator?

#5 – Prudential's approach to retaining talent

- "The new reality: The market, not your company, will determine, the [retention] of your employees," – Peter Cappelli

- Prudential's three-way approach begins with segmentation
  - People you want to keep indefinitely
  - People you want to retain for shorter, well-defined periods

- People in easy-to-fill jobs for whom investments in retention don't make sense
- Once you know which people you need to retain and for how long, apply a range of mechanisms to retain
- Key: Resist temptation to apply these mechanisms across the board
- Thought starter: Can you segment the people in your organization this way? Have you?

Take a few minutes, now, to reflect on what works in your organization, then come to the mics and share

Recommended readings

- All from <u>HBR</u>, available free online
  - The Definitive Guide to Recruiting in Good Times and Bed, C. Fernandez-Arioz and B. Groysberg, May 2009
  - How Netflix Reinvented HR, P. McCord, January 2014
  - A Market-Driven approach to Retaining Talent, P. Cappelli, January 2000
- Greitens, E. <u>The Heart and the Fist</u> (Mariner, 2011)

- Lazear, E. Personnel Economics (MIT Press, 1993)
- Innosight, "Disruptive Innovation Barometer: How ready is your organization for disruption?" (American Press Institute, 2007)
- Greenman, J., On the Road with Serious Intent (Peter Lang, 2012)

Thank you.