



Recruit to Retain

Employee retention requires hiring the right people in the first place

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American culture has romantic notions of the mom-and-pop shop. It's where customers are always guaranteed a familiar face, where workers stay for a years, decades, a lifetime, becoming an honorary member of Mom and Pop's clan.

But a familiar face doesn't always mean a welcoming face, nor is consistency necessarily a good thing. A bad employee will stand behind your register for as long as you'll allow it.

The goal of employee retention should really be to hire the best people from the start, make the best work environment for those who excel to want to stay, and quickly weed out bad employees. Then you can be proud of your employee retention.

HIRE BY PERSONALITY

"The best investment of capital is to hire correctly and retain high performers," says Tim Kirkland, founder of consultancy Renegade Hospitality Group, Denver. Hiring the right people off the bat will save the cost of advertising, interviewing, recruiting and training, not to mention the soft costs people incur because they're new.

To attract the right people, put less emphasis on the "previous experience" box on the job application. "Most managers get really hung up on that because it's somehow going to display what kind of worker you are," says Kirkland. "Well, that's not true."

Instead, hire for a more personal fit. Kirkland advises his clients to make a

list of the personality traits they want in an employee. Skill sets and availability should be secondary to those "hero traits."

One client, a quick-service restaurant operator, wrote up a list of traits that included smiley, energetic, bubbly and loud. "Who does that sound like?" asks Kirkland. "Cheerleaders. So you know where he recruits."

Bob Raudenbush, owner of Bob & Steve's Shell in Worthington, Minn., also prefers high-school students, even over the local community-college kids. More specifically, he looks for the "best students" who are involved in sports, music and other clubs: "If you want the best people, you have to schedule around those things."

Time Machine

Tim Kirkland, founder of Renegade Hospitality Group, Denver, has surveyed young employees across a variety of industries to find out what bothers them most about their jobs. Many of them cited poor scheduling as their No. 1 complaint. Either there are too many people scheduled and there is not enough to do, or they're understaffed and there's too much to do.

"To the younger generation, time is not just as important as money—it's more important than money," says Kirkland.

Retailers can do a couple of things to keep employees happy and labor costs down while still delivering strong customer service. The first is to pull sales data and look at how the busy and slack times match up with the schedule. "Sit down and chart it out hour by hour, or if you can, in 15-minute increments, and staff accordingly," Kirkland says.

Second, look at a payroll week. The pay period does not need to begin on a Monday. Instead, start payroll just before the busiest days of the week to ensure full staffing for those shifts. Cutting staff on the slower days at the end of the pay week means not having to pay overtime.

A retailer with a commuter-fueled breakfast business will need more people early Monday morning than a retailer who catches weekend day-trippers, or a store that gets a lot of business for its lunch foodservice offer.

Raudenbush, who employs a few part- and full-timers in addition to his son, two daughters and wife, also looks for outgoing, energetic employees. Raudenbush himself likes to chat up and even tease the customers.

"We're not in a retail business; we're not in the convenience business. We're in the entertainment business," he says. "When [customers] leave, I want them smiling and laughing."

Because you're never far away from turnover, retailers should always be hiring. "Don't wait until someone is leaving. It puts you under the gun, and bad decisions are made," says Kirkland.

Keep your eyes open at local stores, restaurants, "anywhere you see people who display the type of behaviors you'd like to see in your business. Engage those people, drop business cards. Always be recruiting."

PRAISE THE HIGH PERFORMERS

There's a belief that the key to good management is consistency, treating everyone the same. Kirkland disagrees: "If you have high performers, you have to treat them differently. You have to reward them

every day so they understand that they're needed, wanted and appreciated."

Through exit-interview research, Kirkland has found that high performers tend to leave because they are tired of carrying the load for other people.

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On the flip side, when asked what they like least about their job, low performers most often say micromanagement, "which, translated, means, people paying attention to what I'm doing."

The biggest risk of this dynamic is high performers seeing their co-workers working less for the same amount of money—and getting all the attention. Eventually, they will start working down to that level, leaving the retailer with a team of disenchanting low performers.

INCENTIVIZE EMPLOYEES

To keep employee morale and efficiency up, give them good reason to work hard. Short-term incentives, the duration of a shift or a week, lets employees know you're paying attention. Keep the rewards small, something as simple as a phone card, says Kirkland.

David Meiners, owner of six-store chain Meiners Market in Lees Summit, Mo., has based employee productivity, quality control, bonuses and more on an extensive incentive program. It has not only created ambitious, accountable managers, but also fewer headaches for Meiners and the rest of the corporate team.

They began by stopping annual, automatic raises for managers and turned that capital into monthly bonus programs focused on problem areas in the stores. The first program is based on a monthly cleanliness/stock inspection of the stores, for which managers receive a percentage grade. Prior to the incentive program, stores were bouncing everywhere from 60% to 90% each month. Now that \$100 is on the line, managers have rarely missed the 90% benchmark.

Another program involves monthly cigarette counts. If the counts are within a certain margin based of the auditor's numbers, managers receive a \$100 bonus.

"Since [the implementation of the bonus program], they get it right every time," says Meiners. A third program involves a third-party test to make sure cashiers are asking for IDs.

These incentives have created a positive byproduct of accountability up and down the chain. The managers are held accountable for their stores' activities, which gives them the incentive to hold their cashiers accountable for their actions on the store floor.

There's more to Meiners' method. A



When hiring employees, consider the following:

- ▶ Don't get hung up on past experience; look for people who will fit your company's culture.
- ▶ Don't give all your attention to the trouble staffers; high performers need acknowledgement of their hard work.
- ▶ Incentive programs keep employees motivated and accountable, while at the same time improving problem areas in the operation.
- ▶ Retention isn't always a good thing; keeping low performers around slows productivity and sends a bad message to strong employees.
- ▶ Train for intuition. You want employees to do tasks because they can identify that it needs to be done, not through prodding.
- ▶ In this industry, a solid team with strong customer service is one of your only edges on the competition. Get the right people on staff, and show them how to treat your customers.

couple of years ago, the company took all of its managers off salary, which accomplished a few things. For one, it gives them time-and-a-half pay if they need to come in on their day off to cover for an employee. But it also forces them to be very disciplined when setting the schedule. Managers are expected to work 42 to 44 hours a week, and “because they’re getting time and a half on those last few hours, it could potentially put them over their payroll hours, so they’ll have to cut it from somewhere else,” he says.

Most of Meiners’ managers have been with the company since it opened in 1999 or shortly thereafter. The “youngest” managers are in their third year. Over the years, he has received strong feedback from managers on the incentive programs: “It’s stopped us from having to worry about it. And they’ve realized, ‘If I don’t do it, I’m not going to get paid.’”

WHACK THE WEEDS

“There’s no such thing as a great store filled with the wrong people,” says

Kirkland. Retention isn’t always good, and it’s vital to fire bad employees before you lose the good ones.

Meiners is very strict on cashiers calling in, in part to set standards, but also for the happiness of their managers: “What are the biggest stresses of the job [for managers]? One of them is you’re on call basically 24 hours a day.”

Meiners’ cashiers are paid higher than the competition. The catch is that they are allowed only two missed shifts per 60 days. The third time a cashier calls in, he or she is let go.

When the company first started, missed shifts was a serious problem. Now months go by without cashiers calling in.

TRAIN FOR INTUITION

Raudenbush has an opinion or two about building the best employees. For one, he prefers to lead by example, and he does everything: cleans the bathrooms, fixes the car wash and fills in when the rest of his staff is at the prom.

He likes to hire what he calls rookies, “because they don’t have any bad habits from someplace else.”

And he prefers intuition over stacks of employee manuals, charts and checklists.

“I tell them, just watch what we do, just do what we do. If you see two or three people over at the coffee area and they come to the counter with coffee, you know that there’s probably a mess over there. So once they leave, get over there and clean it up,” he says.

Over the years, Raudenbush has recommended many employees to new jobs after they move on or away. Employers will call and commend him on the fine employees he's trained. "I say, 'We don't have any rules,'" he says. "We just treat them right, and they treat you right."

WORK THE CROWD

The cost of recruiting, hiring and training an employee is far too high to risk bringing in a bad apple. But the real asset a solid staff brings you is a good reputation.

"If I have a choice between two places and they both charge the same, and they're both equally as convenient to my office or home, the choice comes down to where I am treated better," says Kirkland.

Raudenbush's store is in a town of 12,000, right off I-90. Three blocks to his right is a Casey's General Store. Three blocks to his left is another Casey's General store. Four blocks down is a Cenex Co-Op, across the highway is another station, and there's a self-serve station downtown. That's a lot of competition.

"This is the only advantage I have," Raudenbush says of his employees. "It's why people come to us, no other reason." The reputation of his team has allowed him to be as much as 11 cents higher than Casey's in fuel prices. "The majority of our customers don't even look at price."

Raudenbush does have some guidelines for speaking with customers. The phrase "Have a nice day"?

He hates it. "It's 'Thank you, thank you, thank you,'" he says. "We appreciate your business. Stop back again.' When somebody tells me to have a nice day, I say, 'I'm already having a nice day. I don't need you to tell me to have a nice day.'

When an employee has a relationship with the owner, he or she is less likely to hurt the company and more likely to want to do good by the boss. That bond should be taken advantage of—without being taken advantage of in the process. That was part of the impetus for Meiners' missed-shift policy.

"When we first started, we had people missing all the time," says Meiners. "Once people realize you're not going to tolerate it, then the good people want to stay with you." ■