



David Madison

Money, Good Managers and Coaches Retaining High Potentials

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The following article is based on a panel presentation at the September 9, 2005, meeting of the HR Network at the American Management Association headquarters in Manhattan. The HR Network is co-sponsored by The Five O'Clock Club and the AMA, and is a vendor-free venue for HR professionals to meet informally and hear discussions of important issues of the day. The panelists on September 9 were Evelyn Rodstein, a senior leadership consultant with experience at several Fortune 100 companies; Jim Hinthorn, SVP, HR at F. Schumacher & Company; and Ellis Chase, a master Five O'Clock Club executive coach for more than 15 years; he consults for large and small companies alike.

The Impact of Workplace Churn

What does it mean to employees that the average American has been in his or her job for only 4.5 years? What does it mean that workers commonly don't *expect* their jobs to last much longer than that? It usually means that people need to be *more prepared* for churn and displacement in the workplace, *i.e.*, they should keep their job-search skills sharp. Moreover, they need to pay attention to career manage-

ment...to avoid career derailment. Everyone needs to ask: If jobs are eliminated due to mergers, downsizings, outsourcing or company failures, what can I do to remain afloat and on-course? In the turbulent workplace environment a little bit of an every-man-for-himself attitude is not a bad thing. Who *hasn't* said, "Well, I can't expect this company to look out for my career"?

This emerging distrust and skepticism don't necessarily mean loyalty to companies is totally passé, but considerable harm has been done. Employees have come to realize that they can't expect companies, bosses, managers and HR officers to help them nurture their careers. Or can they?

Organizations reap what they sow: lack of loyalty on the part of employees.

What has the average job tenure of 4.5 come to mean for *employers*? An understanding seems to be building that corporate ruthlessness—not caring what happens to hundreds or thousands of employees as long as the bottom line is enhanced—can, in fact, cause very cost-

damage. If a company has been callous in letting people go, it can hardly come as a surprise that a company's bad press and failing reputation make it

hard to attract and keep talented workers. Indeed, organizations reap what they sow: decreased loyalty to employees has created, in return, widespread lack of loyalty *on the part of employees*. Why hang in there for 4 or 5 years if opportunity beckons elsewhere?

Shattered Loyalties: What to Do?

Hence, all the talk in recent years about employee retention: employee loyalty and commitment have been shattered...how can we get them back? The challenge was stated well by retention expert Roger Herman, in the August 2005 issue of *Human Resources Executive*. According to the cover story, he argues that "HR executives in the future need to account for [the] growing independence of workers. Employers have demonstrated over the past decade that they can, on a whim, change people's employment status. So this whole idea of trusting a company from cradle to grave—or at least for the next two weeks—is out the window. It's everybody for themselves." What is Herman's suggestion for the cure? "Leadership will have to operate differently. We will see more focus on leaders



Jim Hinthorn, SVP, HR at F. Schumacher & Company, says: *Sometimes geniuses are more trouble than they're worth.*



Attendees mulling over what they can do in their own companies.

being close to their people.” But his key recommendation is as follows: “Employee retention is not a human resources issue. It is a management issue. The human resources role is to educate and support managers in fulfilling their responsibility to retain top talent.”

To argue that the HR role is to “educate and support managers” means, of course, that retention *is* an HR issue. And this is likely to be a primary concern in the decade ahead, not just to



Kate Wendleton enjoys her role of moderating the panel.

help restore employee morale, but to confront a major demographic reality as well: millions of baby-boomers *must stay in the*

workforce, in some capacity, because we are not in a position to allow so much know-how and talent to retire from the workforce.

The shift to a retention frame of mind requires a major change in corporate attitude. It means paying attention to individual careers: helping people to realize their potential, and not just on an *ad hoc* basis. There should be corporate strategy, no matter the size of the organization, for *engaging* people in their jobs, and deploying them according to their talents and career goals. At first blush, this may sound hopelessly idealist and unrealistic, and indeed may be beyond what many companies are willing and able to do. But corporate health may be profoundly linked to adopting retention strategies, and HR will no doubt play a leading or supporting role.

Follow the Leaders

One of the cardinal rules for survival in the corporate environment is balancing boldness with prudence. If

you have a bright idea you’re dying to implement—because you’re *sure* that it’s brilliant—take a look around first (otherwise known as “research”) to see if someone else has tried it. Chances are, there will be examples of retention plans, strategies and schemes to study and emulate. Be guided by what works in similar organizations of your size. Trying to follow the example of a GE or Coca Cola may be entirely inappropriate; in other words, simplicity is one of the fundamentals. It is very important not to attempt a talent retention system that is more complicated than the budget planning or strategy planning system. Otherwise talent retention will strike managers as an artificial process dreamed up by HR, something on paper that doesn’t have to be taken seriously.

Another fundamental is authenticity. Talent retention plans must be worked out in the real workplace world, based on conversations with employees themselves. An HR consultant recalls arriving for an assignment at a company that had identified a thousand high-potential employees worth nurturing and keeping in the pipeline for bigger and better things. The development plans were kept in locked file cabinets, which added an element of mystery. The consultant discovered that all of the development plans had been written by human resources officers without talking to the employees!

The Crucial Dialogue with Employees

To move ahead with meaningful talent management planning, the first step was the creation of a one-page conversation sheet intended to guide talks

between managers and subordinates, regarding career goals and ideals. These conversations proved to be of great value to managers, who, often for the first time, were able to think in realistic terms about their high potential employees. And the chairman reported at the conclusion of this authentic experiment, “I know that a thousand conversations actually took place, and I now have a chance to assess the skills and potential of my middle management.”

When such dialogue is attempted, it is sometimes discovered that managers—who might not have well-developed listening skills—need to learn how to assess skills properly and think about talent realistically. For example, there may very well be people on a sales team who come across as stars because the market is hot and they’re good at selling, but this kind of success can, in fact, obscure a lack of management skills and potential for the long run.



Ellis Chase, a master coach with The Five O’Clock Club, drives home a point.

Corporate health may be profoundly linked to adopting retention strategies.

Being Paid and Managed Well

Understanding, as thoroughly as possible, where employees want to take their



There was standing room only for this important topic.



Beth Ranney, our AMA host, kept things going.

careers is one part of the retention formula, but eventually management has to make decisions and implement policy that will make this happen. We can usually rely on

what is referred to as the M&M formula, which is catchy—and simplicity itself when stating it. That is, high potential employees can be kept on board with *money* and good *managers*. The topic of executive compensation, in fact, will be covered in another article (following the January 27 HR Network Breakfast on that topic). So what about the “good management” part of the formula? Of course, paying competitively is important, but all the money in the world won't really matter if people are not managed well. They will often put up for a while with bad management or a miserable boss if good pay helps to ease the pain—but eventually shabby management will drive employees to seek greener pastures.

However, there's nothing simple about the “good management” part of the M&M formula. Research has revealed that high potentials can be kept satisfied if they get feedback and are made to feel important, and if they are allowed and encouraged to grow. Growth usually means being promoted and given greater responsibility; it also means being coached for broader roles.

Such expectations create a formidable challenge for managers. But what if managers are not specifically trained for their duties, or their shortcoming are simply overlooked and tolerated? Managers who get where they are because of superior technical skills, political savvy or seniority, but who lack personal or leadership abilities can end up being a hindrance to retention. According to one senior HR officer: “It's impossible to overestimate the impact of managers on high potential and high performing employees. A manager can

create a positive, neutral or negative environment. We really try hard to have it be the first one. Obviously, we want the positive, but we'll settle for the neutral.”

All the money in the world won't help if people are not managed well.

Asking for Professional Help

Coaching can be one of the ways to overcome a neutral or negative environment, and it is one of tools for retaining and developing key talent. Obviously, the concept of coaching resonates with most of us—much as mentoring and tutoring sound like good ideas. But coaching as an instrument for strengthening retention is a more complex approach than it might first appear, and HR should be involved in arranging and structuring the coaching—to make sure that purposes and protocols are clearly defined at the outset. There are many executive coaches offering their services—and making exaggerated promises. As one coach put it, “I was concerned about the fluff I was listening to. Where are the things that the client needs? It was making me very nervous listening to many of my peers talking about things that sounded great in a marketing call.” In most cases, it will fall on the shoulders of HR, when shopping for executive coaching, to know the requirements and goals, and *buy what is needed*. Here, we can cover a few of the principles to keep in mind when attempting to match coaches with your high potential employees.

As a word of caution, before saying anything else, it should be noted that honesty is a fundamental. One executive coach reports having been burned by a company that really didn't want to help the executive who was offered coaching. The coaching was actually a ruse—part of a plot—to get rid of the executive. When the coaching was finished, the company could say, “See, we even had you spend several hours with a coach to help you improve, but that didn't work.” An ethical executive coach will have no

What Human Resources Executives Say About Five O'Clock Club Outplacement!

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— Employee Relations Officer, financial services organization

“**Wow! I was immediately struck by the electric atmosphere** and people's commitment to following the program. Job hunters reported on where they were in their searches and what they had accomplished the previous week. The overall environment fosters sharing and mutual learning.”

— Head of Human Resources, major law firm

“The Five O'Clock Club program is **far more effective than conventional outplacement.** Excellent materials, effective coaching and nanosecond responsiveness combine to get people focused on the central tasks of the job search. Selecting the Five O'Clock Outplacement Program was one of my best decisions this year.”

—Sr. Vice President, Human Resources, manufacturing company

“**You have made me look like a real genius** in recommending The Five O'Clock Club [to our divisions around the country]!”

—SVP HR, major publishing firm

“**Selecting Five O'Clock outplacement was one of my best decisions this year.**”

—SVP, HR, consumer products firm

part of a program that isn't truly aimed at benefiting the employee.

What Is Your Money Going to Buy?

Which brings us to the core of the matter: there must be agreement at the start as to the desired outcomes—that is, buy-in from all parties, HR, management and the person being coached. What is the deliverable? What is desired result of an employee meeting with a coach for several or many hours, over the course of weeks or months? What are the behavioral changes sought? This is just a matter of smart, responsible shopping: any executive coaching



Evelyn Rodstein has had senior leadership experience with a number of Fortune 100 companies.

process will cost a lot money and will require many hours of work. Clearly, for his or her own protection, no coach will be satisfied with vague talk about improvement. As one coach has stated, "What is the bottom line? I want to launch with an action plan and I must understand what we're trying to achieve, for example, 'this behavior has to change and this is how we're going to do it.'" From the standpoint of the company, the crucial question is: "Will this process be useful in retaining and developing key employees?" From the perspective of the individual, the crucial question is: "Will this help me improve, grow and move my career in the desired direction?"

Since the corporation is footing the bill—and since coaching may not be embraced enthusiastically by the employee—one of the key ground rules

for the coaching must be *confidentiality*. There must be no perception or suspicion that coaching is a way to snoop on employees. If HR or the boss is expecting a detailed report from the coach about "how things are going" the coach-client relationship is not understood. Nothing will impede the process more than the fear that issues and topics raised in the coaching sessions will be reported, by the coach, to HR or to the boss. Client-coach trust depends on the understanding that confidentiality is absolute. As one coach puts it, "This wall goes all the way to the sky."

When shopping for a coach, HR needs to know the requirements and goals and buy what is needed.

Assessment: the Indispensable Beginning

We know from working with thousands of job-hunters at The Five O'Clock Club that most people give slight attention to assessment, mainly because they really don't know what it is, or simply opt for the easy way out, namely, just not doing it. They commonly end up accepting inappropriate jobs because they failed to properly assess their likes and dislikes, their skills and accomplishments. Sound *executive* coaching—just like job-hunt coaching—is based on making a thorough inventory of the person's talents and abilities. This is crucial for figuring out how to move forward to the benefit of the company and the employee.

Five O'Clock Club executive coaches use the same Seven Stories Exercise that we ask job-hunters to do, because it is a revealing analysis of a person's real accomplishments in the real world. By the way, if you are an HR officer and *haven't* done The Seven Stories Exercise yourself—well, that's a pretty grave sin of omission if you think of yourself as a career-minded person! You'll find the exercise in our book, *Targeting a Great*

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The Job-Search Buddy System

Do you wish you had someone to talk to—fairly often and informally—about the little things?



"Here's what I'm planning to do today in my search? What are *you* planning to do? Let's talk tomorrow to make sure we've done it." You and your job-search buddy could keep each other positive and on track, and encourage each other to do what you told the small group you were going to do: Make that call, send out those letters, write that follow-up proposal, focus on the most important things that should be done—rather than (for example) spending endless hours responding to job postings on the Web.

With your buddy, practice your Two-Minute Pitch, get ready for interviews, bounce ideas off each other. Some job-search buddies talk every day. Some talk a few times a week. Most of the conversation is by phone and e-mail.

Sometimes, people match themselves up as buddies. Just pick someone you get along with in your small group. Sometimes, your coach can match you up. However you do it, stay away from negative people who talk about how bad it is out there. They will drag you down.

The small group changes over time: people get jobs; new people come in. If you lose one buddy who got a job, get another buddy.

Your buddy does not have to be in your field or industry. In fact, being in the same field or industry could keep you focused on the industry rather than on the *process*. But you *do* have to get along! The relationship may last only a month or two, or go on for years. Some buddies become friends.

Of course, you should see your Five O'Clock Club career coach *privately* for résumé review, target development, salary negotiation, and job interview follow-up. It's usually best to get professional coaching advice for these areas. ●

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Career. You can expect non-brand name career coaches to use other accomplishment-based exercises, as well as other assessment tools, e.g., the MBTI (Myers-Briggs Type Indicator), the LSI (Life Styles Inventory), and interview-based 360-degree instruments.

Client-coach trust depends on the understanding that confidentiality is absolute.

Assignments Large and Small

Executive coaches can be called upon for mammoth assignments—or for simpler one-on-one challenges. One coach recalls being asked to help solve a company-wide crisis: “A European-based multinational financial firm brought me in because it had gone through a series of acquisitions, which had resulted in senior management teams that weren’t talking to each other. They didn’t like each other and they didn’t trust each other. They were from different parts of the country and different parts of the world.” That assign-

ment lasted more than eighteen months.

More commonly, coaches are called in to help fix problems with individual executives. A general counsel at another multinational firm was put in the hands of an executive coach precisely because he was brilliant, well-liked and well-respected—but wasn’t being moved into the senior management pool; he was perceived as indecisive and lacking in leadership skills. But was this accurate? There was no question about his talent. The challenge for the coach was finding ways to put the talent to better use. The coach was called in to accurately assess the situation and make the recommendations for creating change. The employee himself “thought that the problem was that he was a quiet guy,” the coach reported. “And there was no question about it—he was an off-the-chart introvert.” But getting wider input was crucial. “We did a full 360-degree assessment—I interviewed nine instead of the usual five colleagues. I talked with people in Switzerland, London, Toronto and Dallas. We wanted worldwide consensus.”

Suggested organizational and behavior changes emerged during eight coaching sessions over several months. A few of

the areas that reported directly to the general counsel were reassigned, to free up his time for relationship building. He began regularly meeting with his own department so that colleagues had a better grasp of what he was doing. He was coached to speak up more in meetings—even take a controversial position and function as a mediator. In other words, in order to move his career in the preferred direction (preferred by himself and the corporation), he was prompted to recognize the introvert aspect of his personality and push it aside as much as possible. He was urged to self-promote in normal conversation. Behavior change did come about, and he did get the move up into the managerial pool that everyone wanted. The assignment for the executive coach had been well defined at the outset and was achieved. ●

As an HR Officer, you should have completed the Seven Stories Exercise for yourself.



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