

"One Size Does not Fit All"

by Markku Kauppinen

Employee turnover is an expensive problem that many managers and companies struggle with. It can be a very frustrating issue because not only does it cost a lot of money but it also can be a source of constant headaches for the management.

Just this week I was talking with a senior consultant of one of our affiliates that has been working with a client that was experiencing a 400% turnover on their "graveyard" or third shift. The client company is a California based convenience store group.

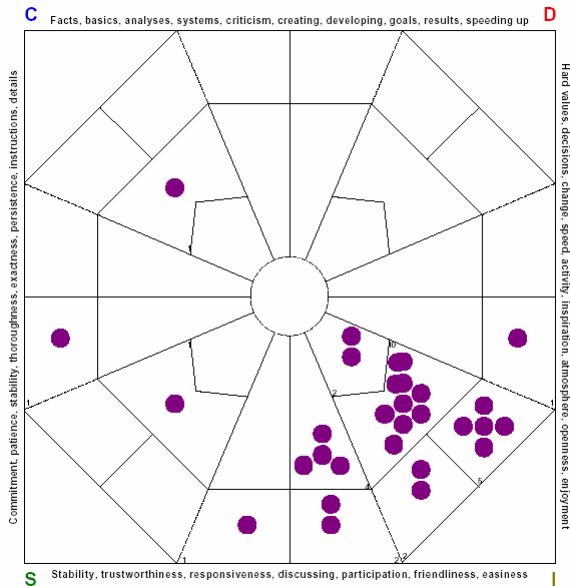
I know, I know. You would expect a fairly high turnover rate in this type of a job. However, a 400% turnover rate is still hard to stomach no matter what business you are in. Not only that, many of the employees quit their jobs without a notice - they simply did not show up one day or they walked off the job when they for some reason simply had had enough. In those situations it was straight into the crisis mode: unattended store is not a good thing.

How would you like to get a call at 2:00 am letting you know that you need to fill in NOW because one of your employees did not show up? Maybe you have.

The situation was intolerable. As a result, the company decided to conduct an analysis of employees that quit on the night shift. Perhaps something could be done.

The results of the analysis were simply startling – 87% of the employees that quit were of the same behavioral style! Not only that, all of the employees that quit without a notice and simply decided not to show up one day or walked off the job were also part of this group. All of the remaining 13% who were of different styles gave the required two-week notice giving the management enough time to hire a new employee or make other necessary adjustments.

Table 1 – Lost employees



D	0%	0
I	87%	26
S	10%	3
C	3%	1
Total	100%	30

All of the employees that quit without a notice and simply decided not to show up one day or walked off the job were also part of this group. The remaining 13% who were of different styles all gave the required notice.

The analysis revealed that the managers were hiring outgoing, personable individuals who were likely to get along with customers. This was understandable based on the desire of the company to have outgoing and friendly clerks in their stores. It makes good sense. However, the reality of the night shift is that there is an only sporadic flow of customers and no co-workers to talk with. It is a lonely job that does not fit the behavioral style of individuals who are good with people and enjoy interacting with others. In contrast, the day shifts offer both a steady flow of customers and co-workers that are there to help with demands of the higher customer traffic.

The managers decided to start hiring people that were more suited for the requirements of the night shift – individuals who do not need as much contact with others and who even enjoy the quiet routine of the job.

Another interesting finding of the analysis: the managers realized that they would have never considered these styles of employees before because they did not seem “friendly” enough in the interviews. On the other hand, the employees that had been hired in the past came across as very personable and people-oriented. These were both traits that seemed to create better customers experiences. Certainly true until the day no one was behind the counter.

How about the real, business results? One year after implementing the new hiring process, the employee turnover on the night shift has been reduced to from 400% to 50%. The savings are obviously significant.

The success on the night shift has given the impetus for additional analysis and new ways of making sure that the right people are doing the right jobs. The analysis is now conducted not only based on the shift but also on the type of store and location.

For example, it was discovered that styles of individuals that did not succeed in the night shift excelled in the day shifts at the company’s full-service service station locations. Apparently, the outgoing, talkative employees made a stop to a gas station a more pleasant chore. As a result, the per store gasoline sales were increased by the more loyal customers.

I suspect that you do not have to deal with these types of issues today. However, one day you may have to. Do you have a plan in place to ensure that everyone sleeps well at night?

Markku Kauppinen is the President and CEO of *Extended DISC N.A., Inc.* He helps executives to make better decisions about their employees, teams and organization. Markku may be reached at markku.kauppinen@extendeddisc.com

"To Help Others, Start with Yourself"

by Marshall Goldsmith

Listen to what General Mills CEO Steve Sanger recently told 90 of his colleagues: "As you all know, last year my team told me that I needed to do a better job of coaching my direct reports. I just reviewed my 360-degree feedback. I have been working on becoming a better coach for the past year or so. I'm still not doing quite as well as I want, but I'm getting a lot better. My coworkers have been helping me improve. Another thing that I feel good about is the fact that my scores on 'effectively responds to feedback' are so high this year."

While listening to Steve speak so openly to coworkers about his efforts to develop himself as a leader, I realized how much the world has changed. Twenty years ago, few CEOs received feedback from their colleagues. Even fewer candidly discussed that feedback and their personal developmental plans. Today, many of the world's most respected chief executives are setting a positive example by opening up, striving continually to develop themselves as leaders. In fact, organizations that do the best job of cranking out leaders tend to have CEOs like Steve Sanger who are directly and actively involved in leadership development. That has certainly been my experience, confirmed by a recently completed research project at Hewitt Associates, one of the largest HR consulting firms. Hewitt and *Chief Executive* magazine put General Mills on their latest list of the top-20 companies for leaders, among such familiar names as IBM and General Electric.

Hewitt found that these organizations tend to more actively manage their talent. They put lots of focus on identifying high-potential people, better differentiate compensation, serve up the right kinds of development opportunities, and closely watch turnover. But crucial to all these efforts were CEO support and involvement.

No question, one of the best ways top executives can get their leaders to improve is to work on improving themselves. Leading by example can mean a lot more than leading by public-relations hype.

Michael Dell, whose company made the Hewitt list, is a perfect example. As one of the most successful leaders in business history, he could easily have an attitude that says, "I am Michael Dell and you aren't! I don't really need to work on developing myself." Michael, however, has the opposite approach. He has done an amazing job of sincerely discussing his personal challenges with leaders across the company. He is a living case study from whom everyone at Dell is learning. His leadership example makes it hard for any leader to act arrogant or to communicate that he or she has nothing to improve upon.

Johnson & Johnson, tied for first on the top-20 list, has successfully involved its executives in leadership development. Its CEOs, formerly Ralph Larsen and now Bill Weldon, and top executive team regularly participate in a variety of leadership-building activities. Having a dialogue with the CEO about his business challenges and developmental needs makes it a lot easier for employees to discuss their own business challenges and developmental needs.

That kind of candor can even help turn around a troubled company. Consider Northrop Grumman, the aerospace defense contractor. CEO Kent Kresa inherited a company that had a poor reputation for integrity, a battered stock price, and an unfortunate reputation as one of the least-admired companies in its industry. His leadership team reversed the company's poor image and engineered a turnaround in performance. From the beginning of the process, Kent led by example. He communicated clear expectations for ethics, values, and behavior. He made sure that he was evaluated by the same standards that he set for everyone else. He consistently reached out to coworkers. He didn't just work to develop his leaders--he created an environment in which the company's leaders were working to develop him.

Unfortunately, in the same way that CEO support and involvement can help companies nurture leaders, CEO arrogance can have the opposite effect. When the boss acts like a little god and tells everyone else they need to improve, that

behavior can be copied at every level of management. Every level then points out how the level below it needs to change. The end result: No one gets much better.

The principle of leadership development by personal example doesn't apply just to CEOs. It applies to all levels of management. All good leaders want their people to grow and develop on the job. Who knows? If we work hard to improve ourselves, we might even encourage the people around us to do the same thing.

***Dr. Marshall Goldsmith** recently been named by the American Management Association as one of 50 great thinkers and business leaders who have impacted the field of management. His 18 books include the Business Week best-seller, *The Leader of the Future* and *Global Leadership: The Next Generation*. Marshall is a world authority in helping successful leaders achieve positive change in behavior: for themselves, their people and their teams.*

Extended DISC

www.extendeddisc-na.com

info.usa@extendeddisc.com

info.canada@extendeddisc.com

info.uk@extendeddisc.com

info.singapore@extendeddisc.com

North America 1.800.257.7481

UK +44.203.355.6312

Singapore +65 3103 1228