

Hi, everyone. This is Wayne Rivers at FBI where *We Build Better Contractors*.

This week, I want to talk about the best talent magnet. Before I get started with that, don't forget Boot Camp in 2024. We've got Dallas coming up first and then a Raleigh Bootcamp after that. So, get your high potential folks signed up right away. Contact Charlotte for more information.

This comes from a Harvard Business Review article in November of '23 written by Claudio Fernandez, and it talks quite a bit about his personal experience with his longtime firm. Now, we're talking talent magnet here. So, let's just go ahead and stipulate. You've got to have fair compensation. You've got to have flexibility. You've got to have good management. You've got to have growth opportunity. I mean, let's go ahead and get those things out of the way, right? Any company has to have those, those are prerequisites for attracting talent. But what's the North Star when it comes to attracting talent?

Well, according to Claudio it's, well, you'll learn here in a second, okay? He went to work for a firm called Egon Zehnder, which was a talent search firm based in Argentina. And shortly after being hired, he ran into a situation that was completely antithetical to the company's values. And he sweated over it a little bit as a new employee, "Golly, should I resign and protest? What should I do about this? Who do I even talk to about this issue?"

Now, what about this is important to you? Well, we referenced that survey in a blog just a few weeks ago that said something like, "Less than 40% of contractors were struggling to acquire talent." And my question was, "Why not a hundred percent? Why are a hundred percent of contractors not invested all the time and trying to upgrade their teams and attract the best talent? Doesn't make any sense to me." But in this case, one of the hooks, so to speak, that Egon Zehnder used to attract people was a clear statement of the firm's values.

So here, Claudio has said, "Not consistent with our values. Now what do I do about it?" So he decided to take a big risk. He didn't go to his manager, he went directly to the founder of the company, Egon Zehnder himself, and he said, "I've got this situation and I don't know what to do about it. I'm hoping you'll fix it." Now, that's pretty bold to go to the firm's founder, kind of skip around the org chart a little bit, right?

And the founder said, "Let me think about it." Now, was this a dodge? No, it wasn't because he said, "Give me a few minutes." He didn't say, "Give me a day, a week, a month. I'm going to go talk to some committees." He said, "Give me a few minutes." And he thought about it, and he came back and Egon Zehnder said three things.

"Number one, Thank you. Number two, congratulations, you have identified a situation that's totally unacceptable. Number three, I'll correct this immediately, and I'm proud to have you as my colleague." Wow. Not only was he going to fix it, not only did he agree that this was a violation of the company's founding principles, he said, "I'm proud to have you as a colleague." I mean, that's a ringing endorsement of this behavior that Claudio used.

Claudio ended up staying there for 34 years, partly as a result of this early career experience with the founder of the firm. He also references Patagonia. Patagonia's a famous brand of outerwear and clothing and all that stuff. And they had a consultant come in and try to analyze what it is about their culture that makes their employees so sticky. And the consultant came back and said, "These people are unemployable anywhere else."

Now, he didn't mean they were incapable of being good workers, what he meant was they identified so much with the company's mission and purpose that they couldn't see themselves ever working anywhere else. They were Patagonia people for life. And that's what we all want, right? We want a culture and a mission that's so compelling that people will align their personal missions with our corporate missions and stay for a really, really long time in a mutually rewarding and productive environment.

So, what are three tools that Claudio suggests we might use? The first thing is strategic hiring. When you're hiring, you've got to go beyond technical skills and resume skills, and you've really got to try to drill down, and this is a difficult thing to do, into what the person's values really are. What is this person made of? What motivates this person? Why would they get out of bed and align with you and your company every day and pursue your mutual mission?

You've got to dig deeper. And Zehnder himself was involved during his lifetime with every single hire in the company, and I consider that one of my chief responsibilities here at FBI. If I'm not going to throw in with the hiring process and try to make sure that our people are completely in alignment with our mission, then why am I here? Are we just looking at resumes? Completely important that senior leaders invest their time and attention in getting the right people on the bus.

The second thing, zero tolerance for poor or non-aligned behavior. There are too many of our members that have a project manager or a director of something or a C-something and they know that person isn't a good fit, they know that person is difficult or the person is mean to employees, or person is mean to customers, but they rationalize keeping that person on board because they say, "Well, he or she always brings her jobs in on time, on budget. Yes, she's a pain in the you know what to deal with, but on time, on budget." And they rationalize that behavior.

I just don't think if you're going to have a purpose-driven, a mission-driven organization, that you can do that. I think it takes great courage to make that kind of a move. But when you identify consistently that a person is not in alignment with your values, with your mission, and you've tried to correct the situation and you've been unsuccessful doing it, I think it's time to make a break. You owe it to yourself. You owe it to everybody in your organization to make sure that as much as you humanly can, people are aligned with the mission of the company.

And the third thing is values-based succession at the top. There's the old, I don't know, cliché called the founder's curse, that companies don't survive after the founder's passed on. Well, Egon Zehnder's firm has, and values-based succession is a part of the reason why. So, the next CEO, the next president, the next CFO, the next director of something can't just be somebody with a great resume, somebody who's been here a long time, somebody whose turn it might be, it's got to be somebody whose values are perfectly in alignment with the company's mission. Because if that person is not in alignment, those values are going to dissipate, aren't they? Those values are going to be rendered meaningless over time.

If the values are important, if the purpose and the mission are important, then the people at the top have got to live those values, they've got to live that mission, and that's critically important.

Great Thomas Jefferson quote here. Thomas Jefferson said, "In matters of style, swim with the current. In matters of principles, stand like a rock." When it comes to your company's mission, we build better contractors. When it comes to your company's mission and values, stand like a rock, make the tough decisions, and you'll be glad you did.

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