

Hello, everybody. Dennis Engelbrecht, Digging Deeper.

Today, I wanted to talk about something that came up. I got a call from one of our clients and he was complaining, I guess you would say, that people are coming after their top team members, and he's lost a couple of top team members. You know, obviously the fight for people is going on out there, and he's wondering, "Is this happening to everybody? What do I do about it?" And all good questions, and if you think about it, probably not unlike any business, but certainly in construction, the team with the best people is going to win more often. It's going to win more work. It's going to do better work, end up being more profitable, support growth, all of those things. So, it certainly is critical to be able to recruit great people and keep your best people on board.

And today, I want to focus particularly on keeping those best people on board. So, in thinking about this, and after this call, I did have a lot of personal thought about this, and you know, it raises the question for all of you. What are you going to do to make sure that your top people want to stay with your organization, that their future is with you? Because you know, they, the proverbial they, they are out there, and they are coming after your people. I don't care what geography you're in. It's pretty much the same everywhere. There's a they out there that's after your best people, and why not? The team with the best people wins.

So, what are you going to do? In thinking about this, it occurred to me that it's really about their future. I mean, why do people leave your company to go somewhere else? Well, they're seeing a better future there. Okay? So, if it's about their future, it's about what they want. What are those things, and what are you doing to make sure that you're providing that future for those folks so that they won't go off to find it somewhere else?

Thinking about these, of course, everybody wants security, but as I thought about it, your top people, they're really beyond that. Yes, they want security, but their talents have already shown they've got a place in the industry and certainly they can move on and make good money and have security somewhere. So, the fact that you're offering them a job and you're offering them a job for life, that's really nice, but that probably doesn't move the needle in terms of retaining those people, because, simply, they're beyond that.

So, what is it? Some studies show that people want purpose, autonomy, and mastery, and I think that's important. If you kind of summed it up, do you have a great place to work, a good culture, all of that, so that people understand the purpose of the company, they're able to work independently and feel like they can exercise freedom in doing their job and things like that? And they want to be good and they want to be better at things. On the mastery side, it occurs to me that that people want to build neat stuff, you know. And are you continuing to grow so you're building bigger stuff, maybe more complicated, more interesting stuff? Or are you building the same old thing every day, which might not motivate the best in your business?

And then it occurred to me, probably the biggest element, when you talk about the best and the brightest out there, is ownership and wealth creation. In thinking about this and thinking about my whole sphere of clients, it occurred to me that there's probably a pretty strong correlation between having ownership centered in one person or very tightly, or even kind of family ownership, and the inability to attract and retain some of the best and brightest. Now, that doesn't mean it's impossible, because you certainly can do it with other compensation strategies, with having a great place to work, with offering people leadership and management opportunity. But a great number of these best and brightest really want ownership, and they're looking at wealth creation for the future for their family. And frankly, those of you who are owners and you're looking at this, just think about it. Think about that pathway to wealth creation and why others might want that as well. So, if that's some something you don't offer or can't offer, that certainly is going to give you a higher hurdle to, again, attracting and retaining those best and brightest.

So, will good pay and a good bonus, and maybe deferred comp, will those things work? They can work, and they certainly do work. Different people are motivated different ways, and again, as we look out at those best and brightest, there are some of them that you're going to be able to satisfy with good pay and bonus and all of that, and some that you can't. One of the key issues, I think, that comes out over time is basically just the fairness issue.

I was in a situation recently where one of the project managers of a fairly large and very successful company, we're talking a company making 5 to 10 million dollars a year, well, one project manager was responsible for about 40% of their gross profit, all right, and was still just getting a salary and all of that. So, just think about that situation. Well, they go home every night and they look at how successful the company is, and how wealthy it's making the owners of the company, and they look at that and say, "Well, shoot, okay, I got good pay, and I got a good bonus, and they're taking care of me and all of that, but it's not equitable." So, if you have situations like that developing, and you see your best and brightest, you certainly have to be aware of where it starts to become unequitable and figure out how to make that equitable.

So again, if you put all this together, the key thing again is, what are you offering? What is your value proposition for the best and brightest in your business? When you put it all together, is it strong enough? Is it motivating enough? Because if it's not, I think you may find that your company is just a way station for these best and brightest going through on their career path, and instead of a way station, see if you can make it a final destination.

Again, Dennis Engelbrecht, Digging Deeper.