

Hello. This is Wayne Rivers at the Family Business Institute. Today, I want to talk a little bit about the war for talent. I'm sure you're getting a little tired of us talking about getting the right people on the bus, but, really, the success in your family business comes down to people and the quality of the people that you can attract and retain. Today, I want to talk about 2 paradoxes in the war for talent.

The first paradox is - Well, first, let's take your employees, I mean theoretically, your employees as a whole, and divide them into A, B, and C. Okay? Your A players are the people that are energetic, entrepreneurial, outside the box thinkers, go-getters, the people that you really just never have to worry about. They're your all-stars, your go-to people. Your B players are less capable but solid and relatively reliable. Your C players ... Frankly, they're the ones, and this is the paradox, your C players are the ones that consume most of your management time and most of your attention. They also create most of your headaches. The rule of thumb is that an A player can do triple the work, triple the work, with better quality than a C player.

If you think about your team, let's say you have 100 employees, and you're able to identify 10 As, a whole bunch of Bs because you should have a bell curve. Most people by definition are average, so you should have a bell-shaped curve when you think about your employees. Then, you think about maybe the 10 or 15 that are C players, that are just always having problems and always frustrating you and just consuming so much time and attention, creating customer complaints, etc., etc. If you were able to get rid of, let's say, 5 of those 10 or 15 C players and replace them with Bs or, even better, with As- Now, let's talk about that for a second.

When I'm talking about As, I'm not talking about Harvard MBAs. I'm talking about maybe you have As on your loading dock. Right? They're never going to be in the executive suite in your company, but they're people that you can rely on in the field, on your loading dock, on your job site, whatever it happens to be. Within their function, they're A players. They're not going to be the chief executive one day but within that specialized function. Okay? I'm not talking about you got to have a guy with a 200 IQ in every position of the company. That's just not realistic.

If you were able to replace some of those C players in the office, in the field, in the warehouse, whatever, with A players, how much time would that free up for you? How many headaches would that eliminate for you?

The first paradox is your C players consume most of your management time and also create most of your management headaches. In fact, we've got a great story, and this comes from Mike Harrington from Harco in Lynchburg, Virginia, so, Mike, thanks for this.

Mike had to lay off some people during the recession. First time he had ever done it, and he called, and we're kind of talking it through a little bit. Anyway, once Mike decided that this was the right way to go and the right stewardship for himself and his company, he boldly went ahead and made the call. He got back to me a few weeks later with the results. Never having had a layoff in their company history, a little concerned about it, as you might guess.

Mike says, "Wayne, 3 things happened. #1: Morale went up. #2: Productivity went up. #3: The sun came up the next morning." That was actually #1, but, long and short, it wasn't the horrible experience that he had expected, and that's universal. Whenever we talk to family business leaders who have had to let people go, inevitably, their people come back and say, "I'm so glad you did that. Why didn't you do it 6 months ago?" "Well, why didn't you tell me?" That's not their job. That's your job as the leader to identify the right talent and get rid of the wrong talent. That's a great story that Mike told us, and I have heard that same thing echoed literally hundreds of times from our clients over the years.

Now, here's the other paradox in the war for talent, and that is: Your A players often feel underappreciated. What? Why in the world would they feel underappreciated when you acknowledge that they are your A players? Well, first, you're spending all of your time with your C players trying to get them up to snuff and trying to stop them from creating so many problems. You also spend time with your new recruits. As you're growing and adding people, you invest a lot of your time into your dog and pony show. Forgive the euphemism, but you're trying to sell these talented people on coming to work for your company, and you spend lots of time with them, and you get excited about the novelty of these new people coming aboard, and that takes attention away from your A players.

Those 2 paradoxes, your C players consuming most of your time and your A players feeling underappreciated, what should you do? Okay? What can I do to resolve this issue?

Well, the first thing that came to mind for me was Johnny Unitas. Okay? I know I'm dating myself here, but who in the world is Johnny Unitas? Well, when I was a little boy, Johnny Unitas was the quarterback. He was the quarterback in the NFL. He was the acknowledged best quarterback. In fact, I think he may have voted at one time or another the best quarterback in the first 50 years of the NFL.

Johnny Unitas, I read a bio of him a couple of years ago, and I was really struck by his leadership because, when they were in a tight situation- Now, you think about an NFL huddle. It's not like they have a lot of time, and they've got a lot of information to convey. People would come into the huddle, and Johnny Unitas would say, "What do you need?" Right? Now, he could be the field general and bark out commands, but he didn't. He looked at his teammates around the huddle, and he said, "What do you need?" The wide receiver would say, "I think I could beat the guy on this route," or the tight end would say, "I think I can chop block this guy and create something." He used that for the basis for calling the play. It wasn't a top-down, 'I command you' kind of a thing. It was a bottom-up. "What do you guys need? How can I facilitate your success?"

That's the first thing that popped into my mind was Johnny Unitas. Be like Johnny Unitas. Ask your people what you need. How can you help them be more successful? Because, if they're more successful, guess what? You're more successful too.

The second thing you need to do is re-recruit them. Just as you're putting attention and time into your new recruits, put time and attention into your A players so that they stay with you and don't run off to the

competition which, let's face it, many of them could easily do. How do you re-recruit them? Atta boys, appreciation, recognition, thanking them for their best practices, having them share their best practices on the loading dock in the office, wherever. Right? Elevating their stature within the organization, that's a terrific way to do it. Do not micromanage your As. They don't need that. Your Cs do. Your As don't. If you make that mistake, you're running a big risk of running off your A players.

Support your A players by hiring more A players. Nobody is more demoralized than getting more C players on the team than your A players because that means life gets harder and more complicated for them just as it does for you. If one A player can do the work of 3 C players, wouldn't you be smart to limit your head count and therefore your cost by getting more \$50,000 a year people on board instead of 2 or 3 \$30,000 a year people? 50 is less than 60 or 90, folks. A players cost more per head, but your head count's lower, so your overall head count cost is lower.

Allow your As to help you run the business. Put them on your steering committee or your executive committee. Get the benefit of their thinking when new ideas or new opportunities come up. Ask them what they need. Be like Johnny Unitas. Finally, help them strengthen their strengths. If they want additional education, if they want to go to professional education classes and training and learn new things and new techniques and new IT and all of these other things, pay for it. It is a wonderful investment in them and their future.

People get worried, "Oh my gosh. If I invest \$1,000 in this guy's education and he runs to the competition, I wasted the money." Hey, man. If you don't invest the \$1,000 in his education, he's more likely to run off to the competition. Right? Invest in your people, your time, your money, your attention, and you'll keep your A players happy. In this competitive environment, as things heat up a little bit, losing A players can make life really, super complicated for you. Don't do it. Recruit them, re-recruit them, give them the strokes they need to be happy.

As always, we welcome your comments below. This is Wayne Rivers at the Family Business Institute. Thank you.