

Hi, this is Wayne Rivers at The Family Business Institute. Thank you for tuning in. We're interested in your comments. Go to our YouTube channel and subscribe, so you never miss another blog. And if you have ideas for future blogs, by all means, we're very interested in that.

This week I want to talk about along the themes of continuing to attract talent, because that is such a huge challenge for all of our clients, irrespective of industry. What do your employees want? Let's get over the first hurdle. They want money. Now this is actually pretty low down on their list of things, based on surveys and studies. Everybody needs to make a wage that floats their boat. So, if I need to make \$40,000 a year to pay my mortgage and feed my children, less than \$40,000 isn't going to get it for me.

Above the amount where I can pay my mortgage, and feed my kids, and basically take care of myself really doesn't matter. Money is not the big determinant. Too little money is a problem. But once you cross a certain threshold, money is not the determinant for employee satisfaction in a small or closely-held business.

What do your employees want? McKinsey's this huge, multi-national consulting firm. And they went out a number of years ago, and they did a big study. I forget how many hundreds of thousands of employees they surveyed. But here's what they wanted, the first thing was a clear and compelling common vision. They wanted to know the direction of the company. Where are we headed? Is this company headed in a direction that is consistent with where I want to head as an individual? And does my personal mission ... I'm not saying they had a written personal mission. But their personal mission in here, does that align with the vision for where the company is headed? Can I see myself riding in this wagon with everybody else to achieve a common goal?

The second thing they wanted was an open and transparent culture. Now I'm a big proponent of open-book management, and I'm not saying you have to show every single line item in your income statement. But some form of open-book management where you just communicate with your people and your employees. Here's where we are, we're ahead of plan, we're behind plan. Here are the corrective actions we're taking. Open culture ... You've heard about an open-door policy. Well I worked for a bank one time where they went to the extreme. They actually took the doors off the hinges. We thought that was the stupidest thing.

An open-door policy doesn't mean, by the way, that your door is open 100% of the time. You need to close your door sometimes. If your wife calls and your marriage is on the line because of something stupid that you did, or vice versa, you probably want a little privacy for something like that. So, close your door when appropriate. But having said that, the idea of an open-door policy is that you're reasonably accessible to your people for questions, input, whatever it happens to be. You're available, you make yourself vulnerable, you make yourself a part of the team, and you're willing and open to communicate with everybody on the team.

Transparency just means that there's no secrets. If I've got a beef with you, I'm gonna come and say it. And I think you should do the same with me. We don't have to be ugly to each other, but we do need to share as adults. And if we've got a problem, either a department, or individuals, or whatever, we have transparency. We're dealing with it, and we're open and above-board about it.

The third thing that employees wanted was they want a clear role, clear responsibilities with accountability. Now you have some employees that don't want accountability, and they are your worst employees. They want to stay under the management radar. They just don't want you messing with them. Your good employees though, and that's who we're talking about here, attracting great quality people, they want a clear role, clear responsibilities, and ultimately, they want accountability. They really, genuinely want to know how they're doing. That's the purpose of a review, right? You say, "You're doing great," "You're doing poorly," "You did great on these areas, here's a couple of places you need a little work." It's as simple as that.

Now the job description in most family business is "do whatever it takes." And what I'm telling you is that is the worst possible job description. Good people want to know what they're going to do, not necessarily how they're going to do it. That's micromanagement. What they're going to do, what their responsibilities are, and how they're going to be held accountable at the end of the month, or week, or year, or whatever. Okay?

Now that's the big McKinsey study. I'd like to add a few more things that in my 28 years, we've observed here at FBI that people want. I always ask people ... We've hired lots of people over the years. And many of them have come from big companies. And I say, "Why in the world do you want to go from working from a big old Fortune 500 company and work for a little pipsqueak organization like The Family Business Institute?" And inevitably it comes back, in so many words, impact. They want to see that they're having impact on FBI's clients.

If you're working in the bowels of a company with 100,000 employees, it might be hard to gauge your impact day to day. Here at FBI, we know every day if we move the needle with a customer or not. We hear the customer say it, we can see that in their financial performance, or in their level of happiness, or the fact that their employee morale has gone up over time, whatever it happens to be. But you can see and feel that impact every day. So that is one advantage that we as small business people, this is an advantage you may share, it's an advantage that we have over the big multi-national companies.

Another thing I think they want is they want a team. They want to know that not only are you hiring me as a talented A player, you're going to surround me with other A players over time. And we're going to help each other build this thing, so that we have a brighter and better future for everybody's benefit. So, I don't want to be an A player on a team of Bs or worse, Cs. I want to be an A player with other A players. Being the star player on a crappy team ... I've been the best tennis player on a bad tennis team before. It's not fun being number one, and getting your brains beat in each week because the quality of the team around you is just not that good.

So, I'm telling you, being on a great team surrounded by great players, whether it's in business, or in sports, or in anything else; that's where it's at. And lastly, of course, people need money. That's where we started. So, these six things, money being the least important, are what terrific employees want. And to the degree you can design your offerings, and your organization to offer these six things, well, all of a sudden you might have the chance to be the employer of choice in your area. And that's what we all want.

This is Wayne Rivers at The Family Business Institute. Thank you for your comments below, and we'll see you next week.