



Harry Franzheim—an HR/OD Practitioner for over 30 years—has published this newsletter to bring you careful insight into reducing costs and unlocking employee potential.

AT ISSUE

Do your managers put new hires into a position of success or failure? Are you constantly having turnover with your employees? With the time and cost to replace workers, you may want to reconsider how you handle new hires.

Assimilation or Annihilation?



HR Fact:

Replacing Employees Is More Costly Than You Think Turnover costs include productivity losses during training, recruiting, and lost work while a position is vacant. For all jobs earning less than \$50,000 per year, or more than 40 percent of U.S. jobs, the average cost of replacing an employee amounts to fully 20 percent of the person's annual salary.* High-turnover, lower-paying jobs (those under \$30,000 a year) are only slightly less expensive to replace, at 16 percent of annual salary.

*from a report of 31 corporate case studies

“Take the temporary or new employee and put him on the fastest production line with the most complicated parts to make. I want to see if he can handle it. If he does, then I will keep working him. If he doesn't, the sooner we get him out the better.”

Makes sense, doesn't it? Maybe it does if you live in a cave, carry a club, and walk hunched over. This Neanderthal thinking is the kind of problem that can contribute to the double digit turnover seen in business today. With the labor market tightening and the scarceness of experienced, entry-level manufacturing candidates increasing, this kind of thinking will eventually erode morale of the organization, and your top talent will leave. Can you really afford that?

Using temporary employees in a “try before you buy” hiring strategy is brilliant, but only if you try to optimize the strategy by setting temps up for success rather than

seeing “how badly they want a job.”

Please understand this – you are competing for the best employees left in the pool! And the pool is getting shallow. So you can club the temps if you want, but don't expect them to stick around and don't expect your agency to just keep sending replacements until someone “sticks.”

Neanderthals

We find this level of managerial thinking



The “Out Group”

- poor reviews
- fewer promotions if any
- lower pay rates



The “In Group”

- more flexible meal and rest break times
- early leaves
- preferential jobs
- more socializing with boss

consistent with a “quantity over quality” mindset. Pounds produced, containers shipped, widgets produced, units assembled are decent metrics, but they do not speak to quality, efficiency, or utilization of assets. We call them “production hounds” and they look a lot like Neanderthals! They use the same club to beat the temp as they do to “hit the numbers.”

These are the same managerial Neanderthals that use the “Employment at Will Doctrine” to terminate employees ... “I can terminate for a good reason, a bad reason, or no reason at all! HR can't stop me!”

This outdated thinking manifests itself in other organizational ways, the worst of which is in favoritism. Managers who think this way have their pet employees (likely to be related to some of them) and treat them differently than the others. This creates an “in group” and an “out group.” Members of the “out group” are more likely to be given

poor performance reviews and fewer promotions (if any) and will be subject to lower pay rates. "In group" employees have much more latitude when it comes to attendance, meal and rest breaks, early leaves, preferential jobs, and more socializing time with the boss. Drinking and socializing outside of work is part of what the "in group" does on a regular basis, making it very hard for the manager to be fair, impartial, and objective when assessing performance and contribution. This also creates an enormous amount of liability for the organization as well. When lines of authority get blurred by friendship, things that should not be overlooked get overlooked, setting up the organization for legal action.

Power, Authority and Control

It is believed that this sink-or-swim mentality stems from a leadership mode that is based upon positional power, authority, and the need for control. There may have been a time in our industrialized society for such a mode (after World War II when America had over 50% of the world market and could sell anything it could make) and it may have served us well. To be fair to today's Neanderthal manager, he was probably hired and trained by a Neanderthal too!

The problem is, it doesn't work anymore and nothing as simple to execute has been available as an alternative. Until now.

Fairness, Dignity and Respect

Most managers forget what their first day on the job was like. And even if they can recall, they will be recalling a time when things were not as complex as they are today. The typical Neanderthal manager has a distorted view of his reality. He forgets that he was incompetent at first and struggled mightily with the new tasks, procedures, and assignments. Yet somehow he persevered and rose above all the others to become a Neanderthal manager.

Who knows how much better it would have been for him and how much faster he could have risen to the top if someone had

tried different teaching methods, considered motivational factors, took time and had patience, and explained why. Treating employees (temp or otherwise) with fairness, with dignity, and by showing respect will trump Power, Authority, and Control every time. Let's consider:

Teaching Methods We all have a sense that people learn differently. However, when I start to teach I am likely to teach the way that I like to learn, which could be different from the way you like to learn. Modern management understands learning theory and applies it when leading others.

Motivational Factors People are motivated in different ways too. Not every employee is going to be as excited, and proficient, and as curious as the boss.

Employees juggle a ton of different things in their lives; "work" is just one ball that they are trying to keep in the air. Modern management understands about intrinsic and extrinsic motivation and how it's the little things like recognition and success that set an employee on fire.

Time and Patience If you cannot tolerate errors, get out of your leadership position. Of course errors are setbacks that can slow production; everyone knows that. Becoming unglued and impatient only makes employees prone to more errors. People need room to try new things, and they need practice and feedback for success to take root.

Explain Why Telling people WHAT to do without explaining the reason WHY it needs to be done this way is a missed opportunity to build talent. When employees know the reason why, they are more likely to execute with enthusiasm and accuracy. Tell the employee to clean the tabletop and you will get some level of clean. But tell the employee to clean the tabletop because we have to perform brain surgery on a Neanderthal and you will get a whole different kind of "clean."

Assimilation or Annihilation?

In today's competitive environment for

Gorillas, a Ladder, and Bananas

A study was conducted in England with four gorillas. They were in their cage and the trainer hung a banana from the ceiling next to a ladder. Anytime one of the four gorillas made a move to go up the ladder, the trainer hosed him with cold water (apparently, gorillas do not like cold water). This repeated for several cycles until the four gorillas gave up on the banana.

Then one gorilla got sick and was removed from the cage. He was replaced with a new gorilla that immediately started heading for the ladder. There was no trainer to hose the gorilla but instead the other three gorillas beat up the new gorilla anytime he got close to the ladder! Eventually, after enough beatings, he too gave up.

Then one of the original three gorillas got relocated to another zoo and was replaced with a newer gorilla who headed for the ladder and the banana. To no one's surprise the other gorillas beat up the newer gorilla for getting close to the ladder. It was, however, a little surprising to see the first replacement gorilla beating up the newest gorilla even though the former had never had the cold-water experience.

Cycle out the remaining two of the original four gorillas and replace with brand-new gorillas and the same behavior was observed. Why? Because that is the way it has always been done around here!

Where are your bananas? Where are your ladders? Who are your gorillas?

talent, yours may be ready to walk out the door and new talent may be unwilling to enter! How well you assimilate new hires into your organization speaks volumes about the leadership prowess inside the organization. The first few days and weeks of a new hire can set the foundation for learning how to treat one another. Do you have a culture that is based upon fairness, dignity, and respect or one that is based upon power, authority, and control? It is a choice. **ne**



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