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USING CAREER DEVELOPMENT TO RETAIN YOUR TOP PERFORMERS

By Bill Sitter

Keep your "up-and-comers" on board by working with them to develop a career path that helps them achieve their personal and professional goals.

Every week we see excellent performers leaving construction equipment distributors, manufacturers and rental firms. While some of these "doers" are changing companies within the equipment arena, far too many are leaving our industry altogether-and it will be tough to get them back.

Why do they go? As the old quiz show used to say: "That's the \$64 question." Today, however, it's a million-dollar question because this issue impacts the growth and very survival of many companies.

I recently helped facilitate two industry seminars that explored why top performers leave companies. High on the list of reasons these employees leave is the lack of a sense of career direction and the absence of an action plan for career goal achievement. This article will address the issue of career development as an essential tool for improving productivity, heightening employee involvement and enhancing retention of the women and men who hold the keys to success for companies in our industry.

We often see staggering statistics about the tremendous cost associated with the loss of one good customer. As our industry has come to value the concept of customer retention, dealers and manufacturers have increasingly focused on product support, service excellence and total customer solutions. There are big costs associated with these "customer-first" strategies, but there is consensus that good customers must be brought into a partnering relationship-into a true win-win scenario. Fortunately, there are hundreds of success stories to support the long-term value of these projects aimed at keeping good customers. But what about retaining good employees and future leaders?

In our 22 years of service to the North American equipment industry, we have observed that the loss of high-potential employees also represents a huge loss to equipment dealers. In 1992, Joe Jordan and I wrote an article for this magazine titled "Bad Hires: Learning from a Costly Mistake." The 1991 survey used for that article pegged the median cost for bad dealer hires at \$50,000. That data included new hires, secretaries, salespeople and

managers. Some dealers pegged their true total cost of bad managerial hires at \$500,000 to \$750,000. Keep in mind that this data is nearly a decade old- so today's costs are much, much higher.

You may be thinking, 'OK, I get the point: How do I keep high-octane performers once I've worked so hard to attract them? What do our people want when it comes to career development?'

A UNIQUE SOLUTION FOR EVERY EMPLOYEE

Unfortunately, there is no "one-size-fits-all" answer. Our first-hand contacts are more often with midlevel managers up through executives in the equipment industry, so our observations may best apply to managers.

However, we regularly observe dissatisfaction among employees-at all levels-not knowing where their companies are headed (i.e., they are not involved in the big picture) and where their individual career path fits into their company's future. High-performing employees have important personal and business goals and they want to achieve these objectives, at least in part, via career accomplishments and rewards. Key players really appreciate the opportunity to sit down with a superior, on a regular basis, to objectively assess their future.

This is much more than an annual performance review!

Yes, career path development should be part of a formalized review process. But the standard annual performance review is not enough. (We are frequently surprised to find that supervisors and managers often go three to five years without a review of any kind.)

Progressive companies have developed periodic career path review procedures to ensure that individuals discuss their career goals with superiors. Employees seek the opportunity to request specific training and development resources that will allow them to have a good shot at reaching their goals. The best practices provide for semiannual or even quarterly status review sessions to ensure that momentum and interest are maintained.

If an employer engages in career path development, is advancement guaranteed? And what happens if employees do not get promoted?

These are two good questions. No, it is not realistic for an employee to feel that promotions are ensured if he or she completes a set of career development goals.

However, both the employee and employer will observe the employee's level of commitment. The manager also should get feedback on how well the trainee handled the various assignments or courses. Employees will know that their superiors and the company care about their future. They should have gained new or improved skill sets that will increase their value to the company. And this process should boost their self-esteem.

What type of training might be included in a progressive career path development program?

The best programs are highly tailored to fit individual employee goals.

For example, new employees or potential new supervisors might have a checklist of skill improvement areas that can be addressed by specific courses, seminars, books or interactive training modules to be provided by the company.

When I was a Caterpillar sales management trainee in the mid-1960s, I knew that to expedite my assignment to the field I had to complete more than 20 short courses. Topics ranged from speed-reading to used equipment studies to how to use a seismograph for ripper analyses. However, these one-to-five-day training modules were geared to the needs of a young sales rep who was destined for Iran. My point? Your company's training targets need to match a realistic career path for each employee.

For midlevel managers, and especially for senior-level executives, training goals should be longer-range and broader in scope. Management training normally involves considerable after-hours and weekend commitment from the employee. Examples might include off-site seminars, community college night courses, outside reading, Internet-based training and degree or advanced degree completion programs. It makes good sense to relate these outside programs to realistic career goals. While an MBA may be great for a future vice president or president, a degree in basket weaving will not add value to most equipment companies.

Practical solutions and available training resources.

The good news is that our industry already has access to many fine training modules, and more are on the way. In addition to several excellent in-house developed training programs, there are good courses, seminars, Internet training and PC-based training programs available for immediate use. We will not attempt to provide an exhaustive listing of training avenues, but will whet your appetite to check out what is out there and to encourage you to network with others to add to the resource list.

As I was preparing this article, I spoke with Bob Holt, executive director of The AED Foundation. This nonprofit organization has a clear focus: "Dedicated to providing top-quality education for the construction equipment industry." The foundation is working to provide training in many forms: courses, seminars and even Internet-based training. One of the most exciting new courses will be a full, Internet-based interactive module for branch managers, training that is desperately needed. In a February 2000 CED magazine article on branch managers, we addressed the tremendous variety of skills our industry requires of these "all-American, all-purpose leaders."

We tip our hats to the AED executives who volunteer time to help our industry develop and grow from the inside out. Visit AED's website at www.aednet.org to learn more about The AED Foundation's resources. I was inspired to join more than 100 other AED member companies in signing a "Commitment to Knowledge" pledge to provide at least 40 hours of training

each year for each-full time employee. We hope your company also will take the pledge. (For more information about the "Commitment to Knowledge" program, see the cover story of CED's December 2000 issue.)

In addition to the training and information programs offered by AED, manufacturer members of AED also can access training via the Construction Industry Manufacturers Association or the Equipment Manufacturers Institute. When employees are selected to participate in these off-site meetings they view it as a source of career development and they value being selected as an expression of their employer's acknowledgment of their worth. The training typically is excellent and these meetings present great opportunities for high-impact players to stay abreast of industry developments and market trends. Of even greater value may be the informal networking that promotes information flow between companies, as employees share what does and doesn't work in real-world situations.

The American Management Association offers several good courses, and there are many excellent independent training companies that have geared programs specifically to equipment dealers and/or manufacturers. Companies should consider buying business books and other training materials as part of their commitment to training and career development. Many companies have well-stocked training resource libraries that include the most current business books.

Different strokes for different generations.

In a 1999 article titled "Managing Change: Understanding the Demographics of the Evolving Workplace," Marilyn Moats Kennedy drove home the point that different generations prefer different types of training. In general, those of us over the age of 33 (Pre-boomers, Baby Boomers and Cuspers) prefer the comfort and stability of classroom training, while the younger Busters and Netsters are technically savvy and adapt well to less-personal training tools such as video tapes, CD-ROMs and PC-based or Internet/interactive modules.

Mentoring and cross-training programs fit today's flat organizations.

Mentoring programs also have gained increasing acceptance, and the promise of mentoring is often used as an effective recruiting tool. Young "up-and-comers" like knowing they can turn to a career mentor who wants them to succeed. Cross-training programs should not be overlooked, especially when promotions may not be as common due to streamlined or flatter organizational structures. Cross training, even in a totally different department or geographic region, may broaden a future leader and provide the spark that keeps him or her from leaving your company out of frustration.

Can we afford to invest much-needed dollars in career development programs?

When I managed AED dealerships in the Midwest and Texas, our companies were challenged to attract talented performers. I'm confident that dealers and manufacturers have struggled to attract good men and women to

careers in the construction equipment industry. In the face of high-tech opportunities, this challenge grows every day. Yes, there are several excellent initiatives under way to boost the attractiveness of our field. However, we should be able to reach a consensus that once we do attract potential high performers, we need to keep them.

Training is exciting. As companies adopt a learning culture, good things happen.

We hope this article has heightened your commitment to career development programs for your employees. We are confident that your investment in training will pay huge dividends for the future of your company. Please feel free to share notable career development success stories with us by e-mail at bill@jordansitter.com.

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