

BALDRIGE:**For Hiring and Keeping the Best Employees****CEOs Asked for Recruiting, Retention Policy**

Regardless of the economic outlook, recruitment and retention of valuable employees is now recognized as one of the most important issues facing corporate America.

As businesses struggle with layoffs, lower consumer confidence, softening commercial investment, and a volatile stock market, effective recruitment has moved from the responsibility of the Human Resources Department to that of the Boardroom. With a sharp focus on human capital, employees are no longer considered a cost, but rather an investment. And, corporate executive officers are expected to present clear strategy and direction for staffing their respective organizations. Their own value to their organization is, in part, measured by how skilled they are at recruiting and retaining key employees.

"As baby boomers retire and an older, more experienced workforce is replaced by a younger, less experienced one, CEOs must preserve corporate knowledge and provide an atmosphere that fosters sharing."

*Joseph A. Muzikowski, Vice President, Total Quality, Solvay Polymers, Inc.
Chairperson, Panel of Judges, Baldrige National Quality Program Board of Examiners*

Baldrige Self-Assessment Leads to Staffing Success

The Baldrige Criteria for Performance Excellence recognize that an organization's success depends increasingly on the skills and motivation of its employees and addresses these needs in all seven of its Categories with special emphasis on Leadership, Strategic Planning, and Human Resource Focus.

By using Baldrige for self-assessment, CEOs and their organizations learn to refine their process for attracting and keeping their most qualified employees so that it aligns with changing business needs—including the fluctuating labor market. Their attention to succession planning and hiring practices becomes a part of their organization's preparation for the future.

For nearly a decade and a half, the Baldrige Criteria have been used by thousands of U.S. organizations to stay abreast of ever-increasing competition and improve performance. These organizations have used the Criteria for either self-assessment only or performed self-assessment as a first step in applying for the Malcolm Baldrige National Quality Award. Spicer Driveshaft, Los Alamos National Bank, and Texas Nameplate Company applied and are recipients of the Award. They recognize the value of effective recruiting and retention practices and how the Baldrige Criteria help point the way to establishing these practices.

Criteria for Performance Excellence

- Leadership
- Strategic Planning
- Customer and Market Focus
- Information and Analysis
- Human Resource Focus
- Process Management
- Business Results

Spicer Driveshaft Employees Take Charge of Their Careers

"We hire for 'attitude,' knowing we can train to develop technical skill, which is part of the Baldrige philosophy," says Spicer Driveshaft Division (SDD) Vice President and General Manager Joe Sober. "Team member experience is one of the important attributes we look for."

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Los Alamos National Bank Works for Employee Job Fulfillment

Employees don't have to look far to see the value Los Alamos National Bank (LANB) in New Mexico places on them. Senior leaders make it clear that the efficiency of employees, who have bought in to the bank's vision of reaching \$750 million in assets by the year 2002, is the major factor in their favorable net interest

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Texas Nameplate Seeks Zero Turnover Rate

The desire to pass on a successful business to his children, as his father had done for him, was Dale Crownover's incentive to investigate the Baldrige Criteria for Performance Excellence. "Once we got involved with the Criteria, we developed a passion to become more competitive, even in the

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Spicer Driveshaft *(continued)*

Spicer is a division of Dana Corporation and a year 2000 Malcolm Baldrige National Quality Award recipient. According to Sober, its success as a manufacturer is based on the belief that the organization is committed to earning money for its shareholders and that its people are its most important asset.

Retention of good employees impacts both of these aims, he explains. "Turnover of employees is very expensive, so we are committed to doing all we can to recruit exactly the right people and provide the right work environment to keep them."

Once hired by Spicer, new employees can expect certain things. First, even if they come in at entry level, they have an opportunity to move up in the company. "In my 23 years with

Dana, I have never gone outside to fill a management position. We fill vacancies from within, and we promote based on performance," Sober says.

Second, employees are encouraged to "jump disciplines" within the company. "We urge employees to take control of their careers and let their managers help them reach their goals, even if it is to work in an entirely different part of the company than where they are working today," explains Sober.

Finally, Sober cites the Division's extensive education opportunities available to employees through Dana University, which offers accredited courses toward graduate degrees in engineering and business and a certified Dana supervisor program.

Los Alamos National Bank *(continued)*

margin. And, that means LANB is more profitable than its competitors.

As the seventh largest employer in a region that boasts a mere 1.5% unemployment rate, this 2000 Malcolm Baldrige National Quality Award recipient has cut its turnover rate by more than 50% in the last three years through effective recruiting and retention practices.

"When I took over as President, I had a vision that things could be different, that employees could enjoy their jobs and could get fulfillment out of what they're doing," says Bill Enloe, now LANB CEO and Chairman. "And, I have spent most of my time trying to make that happen."

This translates into a working philosophy best described by LANB President Steve W. Wells. "Don't make it harder than it needs to be. Communicate everything, listen constantly, then roll your sleeves up and work alongside your people if you want them to know how much they mean to your company's success," he states.

"Successful companies treat every employee like today's free agent. Rest assured your competition will see to it that you are left only with those employees they don't want."

*Steve W. Wells, President, Los Alamos National Bank
2000 Baldrige National Quality Award winner*

Texas Nameplate *(continued)*

international marketplace," recalls Crownover, CEO of Texas Nameplate Company (TNC). Today, with an employee base of fewer than 70 drawn from a culturally diverse community in Dallas, this 1998 Malcolm Baldrige National Quality Award recipient sells its nameplates in all 50 states and in nine foreign countries.

Using the Baldrige Criteria as a guide, Crownover developed a strategy and vision statement with nine long-term goals. High on this list was to eliminate employee turnover by hiring the best, training them well, and keeping them on the job. "Turnover kills you," he says. "It destroys morale within the company, and there is more chance for error when training new people which then affects quality and impacts customer response," he explains.

Today, the goal at Texas Nameplate remains zero turnover, and, according to company figures, turnover was cut by more than half over a four-year period. At present, one third of the staff has been with the company for 10 years or longer and half for five years or more.

TNC remains proud of its most highly effective recruiting tool—that of the reputation it enjoys in the community for fair and equitable compensation of its employees and of a caring approach to the staff by its CEO. "The Baldrige Criteria emphasize the value of employees as an integral part of the company success. And, we know this is true," Crownover declares.



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- Visit the Baldrige Program's Web site at www.quality.nist.gov for a general overview.