

RAISING TALENT IS JUST AS IMPORTANT AS RAISING CAPITAL

9 EXERCISES TO
BUILD A TEAM

JULY 2018



WITH SUPPORT FROM





THERE'S A CATCH-22 with which any emerging market startup founder is familiar: it's hard to raise money without the right team, but it's hard to afford the right team before you raise money.

We often see early-stage startup CEOs treating talent as an administrative function rather than a strategic one. This can be a critical mistake.

Our team at Village Capital has been thinking about this for years. We've found that talent is absolutely crucial to early-stage startup success:

We interviewed 400 entrepreneurs and found that talent acquisition/retention was the number one cited barrier to growth, beating out access to financial capital and product(<http://vilcap.com/wp-content/uploads/2017/06/Show-me-what-you-can-do-Final-low-res.pdf>)

*Our report **Breaking the Pattern** found that investors in emerging markets are acutely aware of the talent challenge and place this at the forefront of investment decisions* (<https://vilcap.com/dfs>)

We need a paradigm shift in the way founders think about talent and it needs to start with the on-the-ground organizations that support entrepreneurs in emerging markets—incubators, accelerators and development organizations.

This report will showcase ideas and exercises from leaders who are committed to improving access to talent for small and growing businesses in emerging markets. We'll hear from a diverse range of organizations from incubators to consulting firms.

If you're an entrepreneur, follow along for practical advice about how to build a talent pipeline and where to find resources to help you with talent strategy. If you're an entrepreneur support organization or investor, look forward to actionable tips on how you can better support the entrepreneurs you care about.

Allie Burns
Managing Director

PARTNERS



CONTENT PARTNERS



HOW TO USE THIS PLAYBOOK

This playbook has been designed for startup leaders who want practical information and exercises to implement in their organisations.

Each chapter covers a critical component of early stage human capital strategy and management. The chapters follow the same structure throughout, first some high level information on the subject and why it's important, "here's what you need to know" and then an exercise or activity to "put into practice in your organisation."

ABOUT VILLAGE CAPITAL

Village Capital is reinventing the system to back the entrepreneurs of the future - a future where business creates equity and long term prosperity. Our programs connect high potential, early-stage entrepreneurs with the people, institutions and capital they need to succeed. Since 2009, Village Capital has supported more than 1,000 entrepreneurs in 50 cities and 30 countries, and partnered with affiliated investment funds, including VilCap Investments, that have invested seed capital in more than 90 program graduates.

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BUILDING A TEAM TO REACH SCALE

THINK ABOUT HUMAN CAPITAL
LIKE AN INVESTOR



BLOG POST
**Hire For The
Stage You Want
To Reach, Not The
Stage You're At**

vilcap.com/2017/11/14/hire-for-the-stage-you-want-to-reach-not-the-stage-youre-at/

Hire for the stage you want to reach, not the stage you're at. Our team at Village Capital has worked with more than 700 entrepreneurs and we've seen a consistent theme: Early-stage CEOs tend to treat hiring as an administrative function rather than a strategic one.

The goal of this chapter is to get you thinking strategically about building your team to align skills with business milestones, ultimately reducing risk in the eyes of an investor.

Your team is a strategic asset to be leveraged to achieve your business objectives.

Contributing Partner



THE INVESTOR LENS

Investors care about how you are going to deploy their capital in an efficient and effective way to deliver a return on investment (ROI). The team is your largest expense in regards to capital invested in the business, capital that must be deployed strategically and efficiently to deliver increased value over time.

As a startup CEO, who to hire, promote and fire are the most important decisions you will make. The best performing CEOs spend over 50% of their time on people, while the worst spend less than 10%.

THE DISCONNECT

Early-stage entrepreneurs make the mistake of viewing building their team as an administrative function, as simply hiring. Successful later stage business leaders understand that human capital is a strategic function.

Yet, 90% of the early stage entrepreneurs interviewed for Village Capital's 2014 report, [Show Me What You Can Do: Diagnosing the Human Capital Challenge](https://vilcap.com/wp-content/uploads/2017/06/Show-me-what-you-can-do-Final-low-res.pdf), considered human capital to be an administrative rather than strategic responsibility.

(<https://vilcap.com/wp-content/uploads/2017/06/Show-me-what-you-can-do-Final-low-res.pdf>)

TALENT AND FUNDRAISING

Traditional early stage entrepreneur mentality usually follows the line of thinking: If we raise enough money, we will be able to find the right skills and talent to fulfill our mission. But to succeed, startups need to think about talent before dollars and recruitment as a prerequisite to fundraise. The reality is that HR is often the root cause of enterprises not being able to attract sufficient capital, and investors see too many holes in skills and experience, holes which make the business too risky.

No team = no scale.

THE #1 MISTAKE WE SEE CEOS MAKE IS HIRING FOR THE STAGE THEY ARE AT, NOT THE ONE THEY WANT TO REACH. DON'T FALL INTO THIS TRAP! INVESTORS WANT TO SEE A CLEAR UNDERSTANDING OF CURRENT AND FUTURE TECHNICAL AND OPERATIONAL SKILL REQUIREMENTS WHICH WILL GET YOUR BUSINESS TO SCALE.

SELF AWARENESS

As we covered above, investors care about how you are going to deploy their capital to reach milestones and deliver increased value, in order to deliver an ROI. A huge part of this is mitigating risk. They want to see that entrepreneurs are self-aware about which skills they have internally and which skills they need to grow. If you don't have the right team, you will not have the ability to hit the milestones you've laid out to reach scale.

Here are some questions we consider when evaluating a team using our VIRAL (Venture Investment Readiness and Awareness Levels) framework. Can you answer these questions?

- ☐ Does the company have the right founding team in place to solve the problem?
- ☐ Are there at least two different people on the team with clearly differentiated skills and responsibilities?
- ☐ Does at least one person on the founding team have the technical ability to deliver on the founding vision?
- ☐ Does the team have an idea about the target market size? Do they have a sense of how the industry operates and what value they add to the industry?
- ☐ Are there experienced members of the team with lived experience of the problem?
- ☐ Is the founder able to envision how the team will grow in the future?
- ☐ Does the team have the technical ability to solve the problem they've set out to solve?

“

If I fund you, who will you hire?”

Vinod Khosla,
Founder Khosla
Ventures



PUT INTO PRACTICE

Let's do an exercise to help you think strategically about hiring.

BUILDING A TEAM WORKSHEET

What are the 5 big things you need to accomplish in the next 18-24 months?	Which skills are associated with each?	Which skills exist internally? Which skills do you need to find? (New hire, advisor, investor)	Approximately, when will you need these skills?	For the skills you need to find: Brainstorm on people or backgrounds/ experience that could provide the skills you need.	What perspectives do you need on your team to achieve business milestones?	What would success look like in this new position?

EXERCISE: PART I

Based off this understanding, take a few minutes in the first column to identify 5 big things you need to accomplish in the next 18 months to get to the next stage of your business and get ready for your next raise.

EXERCISE: PART II

In the second column, write down the skills needed for each of these things to happen. Some examples are below.

TEAM

- Ability to create key partnerships
- Ability to build the product
- Subject matter expertise

BUSINESS MODEL

- **Revenues:** market understanding for pricing
- **Costs:** financial management (budget, cost control)

PRODUCT

- Functionality
- User interface/experience
- "License to operate" (patents)
- Materials (selection, packaging)

SCALE

- Process management
- Hiring, training, onboarding
- Design and measure outcomes/quality control

EXIT

- Finance structure

EXERCISE: PART III

Fill in the next three columns of the worksheet.

- 1) Assess which skills exist internally and which you need to source from other places
- 2) Assess when you would need these skills
- 3) Brainstorm actual people

CULTURE REFLECTION

Fill in the last two columns



63% OF ENTREPRENEURS SAID THAT THEIR INABILITY TO ACCESS THE TALENT THEY NEED WILL HAVE A HIGH OR CRITICAL IMPACT ON THEIR BUSINESSES. THAT NUMBER JUMPS TO 75% FOR FUNDED, EARLY-STAGE COMPANIES—THE COMPANIES EXPECTING THE HIGHEST REVENUE GROWTH.



RIPPLEWORKS, THE HUMAN CAPITAL CRISIS

PITCH YOUR TEAM

Now we're going to practice talking about your team to investors (your colleagues, in this instance).

Take a few minutes to prepare — you'll have two minutes to pitch your team. Here's guidelines for what you should say:

- Brief introduction of your team; how many people, what skills and experience you have.
- What are the next key milestones for your business?
- Where are you going to leverage your current team?
- Who will you bring onto your team (advisor, investor, new hire)?

ACTIVITY WITH YOUR LEADERSHIP TEAM

- Do we have the skill sets on our team to reach our upcoming goals?
- What are our team strengths?
- What risks (gaps) do you see in the team?
- What risks should we prioritize/deprioritize?

DEBRIEF

Let's go around the room and hear from everyone briefly.

- How are you thinking differently about hiring now than you were before?
- What are your concerns with thinking about hiring in this way?
- What is the hire/skill you are prioritizing to get to your next milestone strategically?
- What about deprioritization?

ORG DESIGN FOR SMALL & GROWING COMPANIES



ORG DESIGN TURNS BUSINESS STRATEGY INTO RESULTS

Organizational Design defines how stuff gets done in your company.

Organizational design is more than an org chart! When it comes to organizational structure, you need a system that clarifies all aspects of roles and collaboration; we'll do this in the exercises later. But first, some context...



FORMALIZING YOUR “HOW”

Organizational Design defines how stuff gets done in your company and touches on areas of who is in charge of what, how people collaborate, which rules and procedures to adhere to and how decisions are made.

ORG DESIGN FOR SGBs

Startups need clarity and structure, while retaining their agility. So how do start-ups engage in org design exercises which find this balance? Teams often feel a need for greater clarity with regards to decision making, role authority, and responsibilities.

The two most common organizational design trip-ups early stage companies make are:

1. Creating titles and reporting structures in the hope that architecture will clarify process.
2. Using an organizational chart without putting effort into fleshing the roles out in depth often leads to different interpretations of someone's job. This can sometimes lead to “not my job” and / or “someone else's box” mentality.

So what are the components of Org Design for start-ups:

Purpose First: All decisions on org design (people, structure, process or relationships) should be informed by org goals and strategy. Not the other way around.

Clarity: Put major and regular effort into clarifying everyone's authorities in delivering the activities and the purpose of processes and structures.

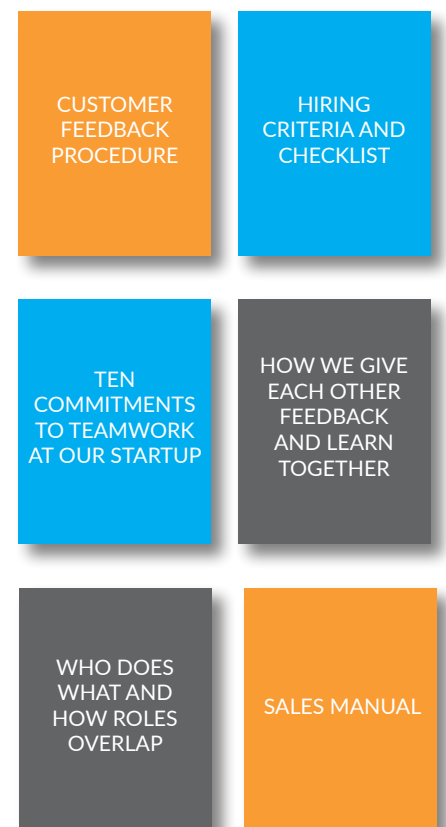
Build Ownership: Transparency helps your people own the org design. Avoid title thinking and silo approaches.

Flexibility: Because your organisation will constantly evolve hire people who have proven to be happy with change, take initiative to clarify their questions and suggest improvements.

WHAT
IS ORG
DESIGN?
YOUR ORG
DESIGN IS
THE ENGINE
WHICH
TURNS
YOUR
STRATEGY
INTO
ACTION

TURN ORG DESIGN INTO ACTION

Yes, part of this will be creating a bunch of documents. They are important because they provide a clear reference point, but plan for them to evolve overtime.



ENCOURAGE AND BUILD BEHAVIORS BY:

- Holding certain types of meetings
- Making time for questions and conversations
- Building and encouraging behaviors through coaching and reward and recognition



PUT INTO PRACTICE

Let's do an exercise to think through your organizational design in four steps. This chapter focuses on two elements: structure and procedure (people will be covered in other chapters of playbook).

EXERCISE 1: ORG STRUCTURE, ROLE MAPPING

Objective of the activity: Structure how work gets done while retaining a fairly informal architecture. Clearly define individual authority, roles, and responsibilities without assigning titles or creating reporting relationships between individuals.

Duration: 2-4 hours

Materials: Sticky notes

WHAT IS A ROLE?

A role is a distinct function that needs to be delivered for the business to succeed. Roles are directly derived from business goals and strategy. Designing roles is like slicing cake: Don't make the slices too large to eat or insignificantly small.

Are you used to title thinking rather than role thinking? If we think of our daily work, we realize that most team members already hold different roles. We also realize that some people have been chewing on the same slice of cake, knowingly or unknowingly.

Examples for roles vis-à-vis titles:

Board and Investor Engagement <-> CEO

Customer Understanding <-> Marketing Director

Lead Generation <-> Head of Sales directly

CONVERSATION FLOW

1. First discuss the concept of roles (description above)
2. Write all roles on Post-its (they could be around 10-40 depending on the stage of your business)
3. On each Post-it, write the 2-3 results you expect from this role
4. Map out the Post-its on a flipchart or wall, drawing collaboration lines between them

HOW TO MAKE IT WORK

- Work quick and dirty
- Do not assign people to roles yet!
- A planning horizon of 6-18 months is ideal in your early stages
- Keep merging or splitting roles (and Post-its) as you continue until you're happy with the result

Repeat this exercise every 3 months!

ROLES IN START-UPS ARE AGILE AND PRIORITIES SHIFT. WHAT WAS A KEY ROLE LAST MONTH IS NOW NOT WORTH SOMEONE'S TIME.

EXERCISE 2: ORG STRUCTURE, ROLE DEFINITION

For every role, clearly outline:

- The nature of the role (Strategic? Implementer?)
- Decision authority
- Collaboration requirements: Where to consult and inform other roles. Map out the Post-its on a flipchart or wall, drawing collaboration lines between them
- What skills and knowledge are required to deliver this role? (list separately from the preferred profile)
- What approach (mindset, disposition, personality)?
- What success will look like (qualitative and quantitative)?

Final step:

1. Assign role-holders. Consider personality and talent required for the role available time, as well as skills and knowledge needed
2. Some roles remain unassigned
3. Discuss how and when to fill them (hiring consultant, pro-bono, etc.)

THE MOST IMPORTANT QUESTION TO ASK YOURSELF AS THE LEADER OF YOUR ORGANIZATION IS **HOW DOES THE ORG DESIGN AFFECT BEHAVIORS AND ACTIONS IN THE DAY TO DAY OPERATIONS?**

EXERCISE 3: PROCESSES AND PROCEDURE

CONVERSATION FLOW:

- Which procedures need to be standardized at this point?
- What is the best way of defining this procedure?
- Who should be involved?
- How will you ensure everyone is aware of these standard procedures and is motivated to adhere to them?
- Stay willing to review or scrap processes if they reduce your team's innovation ability.

PROCEDURES THAT ARE STANDARDIZED EARLY

- Signing up new clients
- Delivering the product to the client
- Handling user complaints
- Monitoring, tracking and reporting business progress
- Documenting market learnings and resulting strategy review
- Hiring new team members
- Performance management
- Expense reimbursement
- Code of conduct and disciplinary action

EXERCISE 4: SHARING WORK ON DESIGN & ROLL-OUT

To implement and evolve your organizational design, talk about everyone's responsibility in:

- Looking for areas where things can be improved
- Providing data and ideas to improve our "how"
- Translating strategy requirements into design criteria that will inform redesign work
- Redesigning structure and processes and documenting changes
- Explaining rationale, training and getting feedback from affected people

REMEMBER:

YOU CANNOT
"LEAD BY
MANUAL!"
THINK
THROUGH
CREATIVE
APPROACHES
TO MAKE
PROCEDURES
COME ALIVE IN
YOUR TEAM



**Any questions?
Need support?**

contact : [getstarted@
edgeperformance.co.ke](mailto:getstarted@edgeperformance.co.ke)



INTRODUCTION TO STORYTELLING

STORIES CAN ALIGN AND MOTIVATE

One day, the forest caught on fire, and all of the animals rushed from the forest. As they were watching the forest burn, they saw a hummingbird flying back and forth, from the river to the fire, dropping one drop of water on the fire at a time. The other animals stopped her and asked, "Hummingbird, what are you doing?" Before returning to her work she responded, "I'm doing the best that I can."

BLOG POST

How startup leaders can
use storytelling
to motivate their teams

[vilcap.com/2018/02/03/
how-startup-leaders-can-
use-storytelling-to-moti-
vate-their-teams/](http://vilcap.com/2018/02/03/how-startup-leaders-can-use-storytelling-to-motivate-their-teams/)

This simple story is at the heart of our work at Resonate and it's one that we reference often. The hummingbird is our logo and it's symbolic of how we describe leadership: being proactive in the face of a challenge. This particular story has been repeated so many times in our office that

now, when we tell someone she's "being a hummingbird," she knows that we are commending her on her initiative, proactivity, and leadership.

We use storytelling to motivate and align our team.

Contributing Partner



A BALANCE OF THE HEAD
(**THINKING**) AND
THE HEART (**FEELING**)
ARE KEY TO GOOD
STORYTELLING AND
STRONG LEADERSHIP.

VALUES ALIGNMENT

Startup leaders talk about the importance of values within a company, yet it isn't as simple as writing them down on a piece of paper. An example of when we use stories to align values is at our team retreat. We begin the retreat with each staff member sharing one or two stories about moments when they were proud of themselves or the team, and then map those proud moments to our values.

Telling stories about when we demonstrated our values makes them more real and present in our minds.

IMPACT STORIES

When we think about impact stories — successful stories of participants and clients who have benefited from our programs or services — often we think about sharing them externally as a source of validation for our work. Sharing stories of success internally is equally as important.

During our weekly team meeting, we allocate time for program staff to share about a recent workshop with the whole team. Giving the program team time to share stories of participants who have been positively impacted by our work is motivating for the whole team.

STRATEGIC PLANNING

Strategic planning tends to have tons of moving pieces, lots of input from various stakeholders, and at times it can get hard to keep track of where you're actually headed.

We found it orientating throughout the strategic planning process to take time to reflect on our vision for the future - not in an abstract way, but in a very specific concrete way. Having each staff member tell a story about where they see the organization in five, 10 or 50 years.

So how do you create a good story?

WHY STORIES MATTER

This step helps participants to understand why stories are important.

1

Why do you listen to stories? We learn important lessons by hearing about others' experiences.

2

Why do you tell stories? Stories help us make sense of who we are, and how we fit into the world. Putting information in the form of a story helps us understand and remember information.

3

Why do you remember stories you hear? A story has emotion AND facts. Another way to say this is that stories connect the head and the heart.

4

Why is a story powerful? It shows who we are and what we value.

5

What kind of stories have you heard or learned from in your life?

Most of us were taught through children's or bible stories growing up, and continue to learn through family stories, inspirational examples, or cautionary tales.

6

What do you value? The next exercise will guide you through this.

IDENTIFYING VALUES

What do we mean by values?

- Values are things that are important to us.
- Values are shown by who we are and what we do.
- Values help us decide between different options when faced with a challenge or choice.

Consider all of your values and choose your five core values.

Fill in the table below with your core value in the left column, a few words about a moment when you demonstrated that value in the middle column, and why it stands out to you in the right column.

CORE VALUE	ACTION/CHOICE	WHY IT MATTERS

EXAMPLE
Core Value:
Kindness
Action:
Helped a stranger carry heavy bags
Why it matters:
Kind to all, even when I don't know the person

STORY OF SELF

BELIEVE

Use your head and your heart: A balance of the head (thinking) and the heart (feeling) are key to good storytelling and strong leadership.

INSPIRE

Challenge, choice, outcome: Use these three parts to structure a story that engages listeners and reveals your values to others.

ACT

Be like the hummingbird: The hummingbird takes action in the face of a challenge, contributes the resources she has, and inspires others to do the same.

FRAMEWORK FOR STORY OF SELF

Challenge

Choice

Outcome

STORY OF US & NOW

CONNECT

Uncover shared values: We relate to others through our shared values, so revealing our own values allows us to connect and build relationships with others.

LEAD

Self, community, and purpose: True leadership is like a traditional stove — in order to create enough room for the fire to burn, we use three stones to hold up the pot. The three stones represent the pillars of leadership: self, community, and purpose.

KEY QUESTIONS

What is the context?

Work? Home? Church?

What does the speaker want the audience to know about her?

What values does the speaker share with the audience?

What does the speaker want the audience to do or feel as a result of her story?

FRAMEWORK FOR STORY OF US & NOW

- What is the URGENT challenge you are addressing (why is it important that the community you are addressing does something now)?
- What is the STRATEGIC choice you are asking others to make that will take us closer to that hopeful future ?
- What does the HOPEFUL future look like if we make that choice?

TIPS & TRICKS

GUIDELINES FOR GOOD STORYTELLING

- Show, don't tell.
- Engage all five senses.
- Trust one story to be enough.
- Clearly define each challenge, choice and outcome.
- Share a story not a resume, it's okay to skip things.
- Be the main character in your story.

GUIDELINES FOR GIVING FEEDBACK ON STORIES

Show respect for other people's stories by:

- Making observations
- Asking questions

Telling someone what to do differently does NOT show respect.

EXAMPLE OF GOOD OBSERVATIONS

"I really connected with _____ part of your story."

"I could really see a picture in my mind when you described _____."

"I wanted to hear more about _____."

EXAMPLES OF GOOD QUESTIONS TO ASK

"From what I heard, your challenge was _____, your choice was _____, and the outcome was _____ .
Is that what you intended to communicate?"

"Why did you make that choice?"

"Was there anything that you wish you had included but didn't?"

"Are there any parts of the story that you think you could have left out?"



COMPETING FOR TOP TALENT WITH VALUE

SETTING THE FOUNDATION FOR RECRUITING GROWTH

BLOG POST

How to hire top talent when you can't compete on compensation

<https://vilcap.com/2017/11/20/how-to-hire-top-talent-when-you-cant-compete-on-compensation/>

In [RippleWorks' global research study](#), we found that a limited budget was by far the number one reason why emerging market entrepreneurs can't hire the talent they need. So, how can you attract and hire top talent as you compete against top employers in competitive markets?

<https://www.research.rippleworks.org>

Contributing Partner



CREATE YOUR EMPLOYEE VALUE PROPOSITION (EVP)

Entrepreneurs tend to be good at building great team culture and working environments, but the key step for recruiting is being able to operationalize and articulate your work culture. That's where creating an EVP comes in.

An EVP is what makes people want to work at your company and why they love to keep working there. But an EVP is more than a set of ideas or values — it's the actual programs and benefits that fall under those values, and more importantly, how your current employees feel and interact with those values every single day.

An EVP allows you to :

- Clearly identify and articulate what makes your company stand out
- Tell your company's story and market yourself as an employer, like you market your products
- Better attract and maintain top talent

DESIGNING YOUR EVP

- Understand what your current employees see as value in your company
- Define your core values and the promises you make to your employees
- Highlight what you currently offer (programs, benefits, traditions) that build upon values
- Brainstorm new benefits and programs that you can create upon your core values

4 ELEMENTS OF A WINNING EVP

1. Great Company (Mission)
2. Exciting Role
3. Energizing Culture
4. Investing in the team

FRAMEWORK TO CREATE YOUR EVP

1

DESIGN

COLLECT INFORMATION TO INFORM AND DESIGN YOUR EVP

Interview members of your team

Identify core values

Highlight current programs and benefits and brainstorm new ones

Synthesize into new EVP, and then it with employees

2

BUILD

BUILD THE SPECIFIC BENEFITS AND PROGRAMS IN YOUR EVP

Build new programs and benefits

Develop internal launch plan

Develop external launch plan

Allocate resources for new programs

3

LAUNCH

CREATE AN INTERNAL AND EXTERNAL PLAN TO BRING YOUR EVP TO LIFE

Execute internal communications plan

Begin launching new programs as bandwidth allows

Integrate EVP into recruiting process

Launch external plan to communicate EVP to public

4

LIVE

CONTINUE MAINTAINING THE ACTIVITIES WITHIN YOUR EVP

Continue to execute communication plan

Share the EVP at external events

Continue to support and develop the expressions

Regular feedback loop (quarterly survey) to get on-going feedback

CASE STUDY IN ACTION: IDEO.ORG

Nonprofit
design and
innovation firm

Based in
San Francisco
and **New York**
City

Growing at 50%
every year

Needs to recruit
top design
talent while
competing
against top
employers such
as Google and
Facebook

Built and
launched an EVP
to **transform**
its recruiting
strategy

EMPOWER EMPLOYEES TO BECOME AMBASSADORS

One of the key benefits of building your EVP is that you are now able to equip your employees to be your ambassadors and sell your company as a place to work on their networks and strategic audiences.

Additionally, mobilizing your employees to recruit their networks is a valuable potential hiring engine. After all, great talent tends to know other great talent. Implementing referral programs with formal incentives can activate and motivate your team to recruit their networks.

AS CEO, PRIORITIZE RECRUITING

Rippleworks Research found that companies who tend to successfully overcome talent acquisition challenges were the ones led by CEOs who strategically prioritized recruiting in how they allocated their time and energy.

While social entrepreneurs are at a disadvantage when it comes to competing on paychecks, successful entrepreneurs like Fred Swaniker understand that they are tough to beat when it comes to a company's mission and vision.

Having founded five different organizations throughout Africa, Swaniker has had to overcome obstacles of competing for top talent in emerging markets. His latest venture, **African Leadership University**, has been named by **Fast Company** as one of the most innovative companies in the world.

<https://www.fastcompany.com/company/african-leadership-university>

HIRING FOR AN ALL STAR TEAM

THE AVERAGE TIME FOR EACH HIRE CAN BE 41 HOURS, BE EFFICIENT



BLOG POST

Two tried and tested ways to recruit all-star teams

<https://vilcap.com/2017/11/29/two-tried-and-tested-ways-to-recruit-all-star-teams/>

Hiring top talent is essential for startups to succeed, yet many entrepreneurs struggle to recruit efficiently and effectively. After posting a job opening, they are often inundated with an overwhelming amount of applications. Sorting through piles of CVs, screening candidates by

phone, and meeting them for an unstructured interview is a time-consuming process prone to bias and inconsistency.

Here are some tips to get you thinking strategically about hiring and tools for screening top talent.

Contributing Partner



Shortlist

IN HIS JULY 2014
CROSS-ENTERPRISE
STUDY IN HARVARD
BUSINESS REVIEW —
HR FOR NEOPHYTES
— PETER CAPPELLI

NOTES THAT,
**“HIRING MAY
BE THE SINGLE
HARDEST TASK
OF THEM ALL.”**

Supporting this observation, Intellectap’s report “Understanding HR Challenges in the Indian Social Enterprise Space” shows that 70% of respondents consider recruiting qualified staff [talent acquisition] as the most difficult HR challenge.”

**“EXPERIENCE”
VERY HARD
TO INTERPRET**

TALENT ACQUISITION IS EXTREMELY CHALLENGING

Investors care about how you are going to deploy their capital in an efficient and effective way to deliver a return on investment (ROI). The team is your largest expense in regards to capital invested in the business, capital that must be deployed strategically and efficiently to deliver increased value over time.

FOR EMPLOYERS:

Job boards deliver quantity not quality: Postings attract more than 2,000 resumes to review

Recruiters aren’t using tech:
They follow an outdated formula that puts the CV first

Software is not to the rescue:
When recruiting, companies want people, not software

In order to cut back on the time it takes to source and screen talent, it’s tempting for a busy entrepreneur to only hire out of their network.

However, doing so can seriously limit the breadth and diversity of talent on your team. Use tools to assess candidates for the core competencies you’re looking for, instead of just hiring through connections.

FOR JOB-SEEKERS:

Demoralizing experience: Not fun to apply to the “black hole” of modern job boards

One-way value: Candidates put in effort to apply and get nothing back

Uneven playing field causes despair:
Candidates lacking pedigree and a Rolodex struggle to stand out and resort to, “spray and pray” strategy

THE CV DOES NOT CONTAIN ALL THE ANSWERS

The future of talent acquisition, the way we screen candidates, is shifting away from “tell me what you’ve done” to “show me what you can do.”

The CV is dead. The process is no longer to look through piles of resumes.

Interviews are expensive. In-person interviews are being limited only to candidates who have been more thoroughly vetted.

Candidates need to be vetted based on demonstrations of competencies. We need to generate signals beyond the CV — cognitive ability and work samples.

Candidates expect more. Employers need to deliver a value-adding candidate experience.

THERE’S A BETTER WAY

TECHNOLOGY

Used to manage large applicant flows and assess potential based on objective signals

DATA

Creating and using diverse sets of relevant data points to drive screening and decision-making

HUMAN

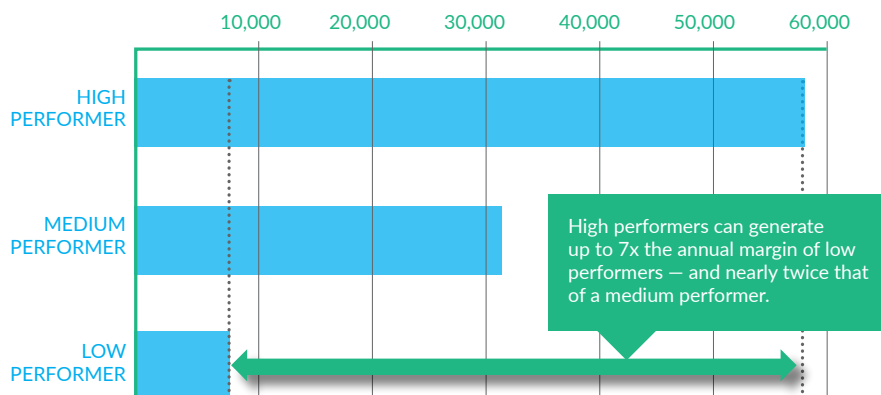
Human touch where it matters the most: only time spent for premium candidates

**LOADED WITH BUZZ
WORDS DESIGNED
TO BE PICKED UP BY
SEARCH ENGINES**

EMPLOYEE PERFORMANCE TO VALUE IS NOT LINEAR

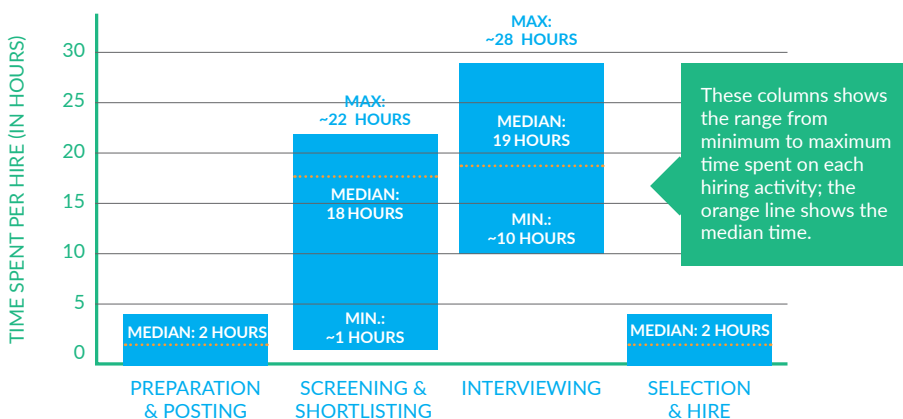
The following are from a report from Shortlist and Open Capital Advisors:

PERFORMANCE VARIANCE WITHIN LOAN OFFICER ROLE
(ANNUAL GROSS MARGIN IN US\$)

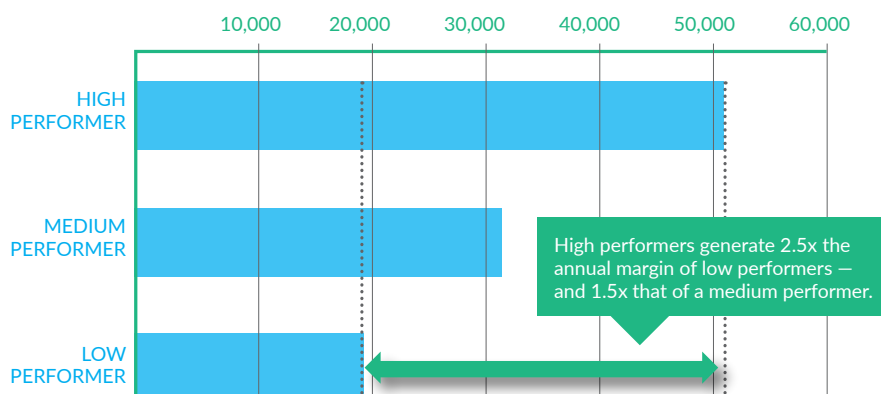


TIME SPENT PER RECRUITMENT STAGE TO MAKE ONE HIRE

The most costly element of recruiting is the time spent by hiring managers and other, non-HR employees throughout the process. The figure below shows the employee time consumed per recruitment stage to make one hire, showing the median, minimum, and maximum time spent per stage — the median combined time investment for one hire is approximately 41 hours.



PERFORMANCE VARIANCE WITHIN SALES ROLE
(ANNUAL CONTRIBUTION MARGIN IN US\$)



Source: Report from Shortlist and Open Capital Advisors on talent acquisition in Kenya

GOOD TALENT BEGINS WITH THE JOB DESCRIPTION

PITFALLS OF TYPICAL JDS

- Long Word documents full of HR 'requirements'
- They contain more than five 'requirements'
- You're using them to SELL, but they are written to EXPLAIN
- They would take more than 20 seconds to read
- "Nice to haves" are often identified as "Requirements," making it very difficult to identify who you would actually screen in/out based on a shortlist of profiles

HOW DO CANDIDATES ACTUALLY READ THEM?

- They search for names and job titles they recognize
- On their mobile phone
- At a quick glance
- They don't understand HR jargon
- They tend to be skeptical
- They don't understand your employee value proposition(EVP)

65% OF START-UP FAILURES ARE DUE TO 'PEOPLE PROBLEMS.'

Human capital challenges are especially acute for early-stage enterprises operating in resource-constrained environments and people represent the most important (and often the largest) investment an organization makes.

Noam Wasserman's
The Founder Dilemma



IN ORDER TO CUT
BACK ON THE
TIME IT TAKES
TO SOURCE AND
SCREEN TALENT,
IT'S TEMPTING
FOR A BUSY
ENTREPRENEUR
**TO ONLY HIRE
OUT OF THEIR
NETWORK.**

However, doing so can seriously limit the breadth and diversity of talent on your team. Use tools to assess candidates for the core competencies you're looking for, instead of just hiring through connections.

EXERCISE 1: CHECKLIST TO EVALUATE YOUR NEXT JOB DESCRIPTION

DOES YOUR JOB DESCRIPTION:

- ☐ **Sell the candidate on the role :** What opportunities and training will the hire enjoy in this position?
- ☐ **Sell your company:** What are three unique benefits of working at your company?
- ☐ **Limit your requirements to genuine “must haves”**
- ☐ **Describe the reality of the role using ordinary language:** What does a day-in-the-life look like?

EXERCISE 2: CHECKLIST BEFORE YOUR NEXT CANDIDATE INTERVIEW

HAVE YOU:

- ☐ Prepared a set of predictive, additive questions?
- ☐ Reviewed the candidate's strengths and weaknesses?
- ☐ Aligned with other interviewers on how you will sell the position?
- ☐ Agreed on a rating scale with other interviewers?
- ☐ Prepared a case study to test ability to perform on the job?
- ☐ Decided on who will keep track of time?

INTERVIEWING: STANDARD VS. BEST PRACTICE

In a structured interview, all candidates are asked the same questions in the same order, they are evaluated using a common rating scale, and interviewers are in agreement on acceptable answers.

HOW DO MOST ORGANIZATIONS INTERVIEW?

Unstructured: Results not recorded consistently.

Conducted individually: Questions are that should be already known.

Candidates are not briefed: Inconsistent value proposition used to sell.

WHAT UNDERPINS BEST PRACTICE?

Structured
Results are recorded using a standard digital template

Panel interviews
Performance-based questions that you couldn't get from a CV

Candidates are clear on interview objectives
Candidates are sold the same story

HOW TO MEASURE RECRUITING EFFECTIVENESS

$$\text{RECRUITING EFFECTIVENESS} = \frac{\text{QUALITY PER HIRE}}{\text{COST PER HIRE}}$$

WHERE

QPH IS ...

- Higher performance
- Better retention

CPH IS ...

- Less CV review
- Fewer interviews
- Automated admin, tracking, and follow-up



SETTING YOUR PEOPLE UP FOR SUCCESS

DON'T STOP AT YOU'RE HIRED — WHY YOU SHOULD CARE ABOUT ONBOARDING

BLOG POST

Don't stop at "You're hired" — why you should care about onboarding

<https://vilcap.com/2017/12/06/dont-stop-at-youre-hired-why-you-should-care-about-onboarding/>

Managers often worry about putting in too much time to onboard employees. They're tempted to throw new team members into the deep end: "After putting all this effort into hiring, I still need to make time for onboarding?" The idea of throwing them in the deep end so that they can swim works

sometimes. But in the case it doesn't work, you lose time and money. The reality is that onboarding sets the pace for performance.

In this chapter, we provide tactile tools to design your onboarding process.

WHAT IS ONBOARDING AND WHY IS IT GOOD FOR BUSINESS?

In order to best illustrate what onboarding is, consider these two scenarios:

60% OF COMPANIES DON'T SET SPECIFIC MILESTONES OR GOALS FOR NEW HIRES. NOTHING IS MORE AWKWARD TO A MANAGER AND MORE DEMOTIVATING TO AN EMPLOYEE THAN EXTENDING THE PROBATION PERIOD BECAUSE YOU HADN'T AGREED ON WHAT **"GOOD"** WOULD LOOK LIKE.

SCENARIO 1

When a new employee reports to work on her first Monday, the team hasn't been briefed about the fact that someone new is starting. So unfortunately, nobody has time for a team lunch.

The manager shows the new hire around and then shares the company policies to read and sign. On the second day they sit down to discuss goals and agree to meet twice a week. For the rest of the week, the employee ends up shadowing different colleagues as the manager has crucial meetings with clients.

The manager check-ins end up happening once a week and 90% of the talking is done by the manager: how to approach the work and what to prioritize.

In the second month, the manager notices that the new hire seems to leave earlier than the other employees.

SCENARIO 2

When a new employee receives her offer letter, it includes a note that says that she is at the beginning of a six-month learning journey.

On the first day, she has a coffee with a long-serving employee who talks about his journey in the company.

Every six weeks, her direct manager spends two hours creating a plan with performance goals and learning activities for the upcoming period. After three weeks, there's a 90-minute feedback session.

Once a week, the department team of five sits together and discusses what everybody was proud of for the week, what they've learned and questions they're carrying into the new week. This helps the new hire open up about challenges integrating into the company culture.

The new employee is still allowed to take earned leave during her first few months and shares in the team's quarterly bonus pool.

There are **7 key objectives of onboarding**. The key is having a view of the next six months and what success looks like. Then the magic is ensuring they understand how to get there.



There is a myth that onboarding costs money, but in fact onboarding correctly saves money over time. People who are onboarded well are productive faster, stay longer and ultimately, its cheaper to onboard than hire again.

EMPLOYEES WHO GO THROUGH STRUCTURED
ONBOARDING ARE **58% MORE LIKELY**
TO STAY LONG TERM (+THREE YEARS).

77% OF NEW HIRES WHO
HIT THEIR FIRST
PERFORMANCE
MILESTONES
HAD FORMAL
ONBOARDING
TRAINING. OF
THOSE WHO DO
NOT HIT INITIAL
PERFORMANCE
MILESTONES, 49%
HAD NO FORMAL
ONBOARDING
TRAINING.

ONBOARDING IS A MARATHON, NOT A SPRINT

How fast can I expect performance from my new guys?
Here's a guideline:

Week 1: Welcome and setting the pace

During Month 1: Employee handles first tasks
and gets feedback

Week 4: Focus on relationship building

During Month 2: Meet to solicit feedback
and handle any misunderstandings

Week 6: Employee handles first big project under
guidance and check-in meeting to accelerate growth and
contribution

During Month 3: Employee displays strong ability
to contribute to the company

Week 10: In-depth check-in and talk about sign
of potential

COMMON ONBOARDING TRAPS

Organizations can lose weeks on the runway to success by falling
into these three traps:

Lack of Coordination: Managers make time for onboarding and
coordinate meeting and resources for their success.

Lack of Clarity: Ensure they understand the key objectives of the
role and the expectations of what success looks like.

Ineffective Learning Methods: A rule of thumb is that 70% of
adult learning is done by doing, 20% by conversation, and only
10% by formal learning.

ON AVERAGE,
IT TAKES **8**
MONTHS
FOR A NEW
EMPLOYEE TO
REACH FULL
PRODUCTIVITY!
CAN YOU
AFFORD
THAT?



PUT INTO PRACTICE

Let's do a few exercises to help you design your onboarding.
The "soft aspects" are actually the harder job of management!

EXERCISE 1: HOW WILL YOUR NEW EMPLOYEES FEEL?

How do you want new joiners to feel in your company? Go through the list below and imagine how employees perform if they feel that way.

How do you want them to feel in month 1, 3 and 5? Do a reality check: Ask your latest joiners how they felt at these points in time! (You might have to do this in an anonymous way).

Ask them what can be done better!



EXERCISE 2: PREPARE FOR SUCCESS BY CREATING A CHECKLIST

Creating a checklist for onboarding means that nothing will fall through the cracks. Share it on the first day! It allows the new employee to know what to expect during onboarding and to drive their own experience! Here's a sample. Make it your own!

DRAFT ONBOARDING CHECKLIST

DOCUMENTS FOR THE EMPLOYEE FILE

- ☐ Copy of ID
- ☐ Copy of tax certificate and required statutory documents (national health fund, social security ID; etc.)
- ☐ Details of two next of kin
- ☐ Allergy or health information
- ☐ Employment Contract (signed by both parties)
- ☐ Probation Objectives (signed by both parties)
- ☐ HR Policy document (signed by employee)

LEARNING AND EXPECTATIONS

- ☐ Individual meeting with manager to clarify role
- ☐ Individual meeting with manager to set expectations of working together
- ☐ Conversation around probation objectives (template signed)

RELATIONSHIPS AND COMPANY UNDERSTANDING

- ☐ Field visit to see our product in action with a client
- ☐ Lunch with the team
- ☐ Buddy assigned and first coffee done

SETTING UP THE WORKPLACE

- ☐ Computer with access to file server
- ☐ Email address created
- ☐ Email signature updated
- ☐ Business cards, phone

RELATIONSHIPS AND COMPANY UNDERSTANDING

- ☐ I know my new colleagues
- ☐ I understand what is expected of me for next week
- ☐ I had time to ask my manager all my burning questions
- ☐ I can explain to my friends what makes this company special
- ☐ I know how to relate to my boss

EXERCISE 3: THE LEARNING CURRICULUM

Now you have hired a high-potential candidate with great alignment to your vision and good fit to your culture. Yeey!

Create a simple learning curriculum for them which they can follow in their first months.

1. List down what they need to learn. Include details about your company, your product, the industry, your partners and networks.
2. Spread this content across the 3 months. What is required in month 1 to start delivering? What in month 2 to start contributing? What in month 3 to start managing their own role?
3. Forget teaching and preaching. Think of how you can promote autonomy, peer coaching and self-learning!

HIRE CHARACTER. TRAIN SKILL.

60% OF COMPANIES
DON'T SET SPECIFIC
MILESTONES OR GOALS
FOR NEW HIRES!

EVERYONE HAS A UNIQUE LEARNING STYLE!

ASK YOUR NEW
JOINEE TO TAKE
ONE OF THE FREE
ONLINE TESTS TO
IDENTIFY THEIR
LEARNING STYLES.
ONLY **10-30%** OF
PEOPLE LEARN BY
LISTENING!
40-50% LEARN
BY DOING

**USE A MIX OF
LEARNING
TOOLS:** ROLE
PLAYS, PRACTICAL
CASE STUDIES,
TALKS, VIDEOS,
READINGS, NOTES,
CONVERSATIONS,
QUIZZES, BOOKS;
ETC.

EXERCISE 4: HOW WILL YOU MEASURE SUCCESS?

Probation period and probation reviews are a helpful tool. Make sure you leverage them in your favor!

Clarify the role in writing! Include:

1. Overall purpose and business contribution of the role (why are we creating this role?)
2. What deliverables are expected from the role?
3. What resources and support is available?
4. Which decisions can/should the person take? Where do they have to consult someone? Where to inform others?

**Write down and sign
a document outlining:**

1. The objectives for the probation period including learning objectives.
2. Action steps the company will do to support the joiner in achieving the objectives.
3. Include anything else that your local employment laws require!



INTRODUCTION TO PERFORMANCE MANAGEMENT

PERFORMANCE MANAGEMENT IS GOOD FOR BUSINESS

BLOG POST

Why it's critical to diagnose your company's talent symptoms before investing in treatment

<https://vilcap.com/2018/02/15/why-its-critical-to-diagnose-your-companys-talent-symptoms-before-investing-in-treatment/>

When done right, performance management (PM) is a comprehensive process that drives employee development and company results. The fundamental goal of PM is to promote and improve employee effectiveness. It is a continuous process where managers and employees work together to plan, monitor and review an employee's work objectives or goals and his or her overall contribution to the organization.

Contributing Partner



PM PLAYS A CRITICAL ROLE IN AN ORGANIZATION, HELPING LEADERS:

- Improve communication between employees and managers
- Support employees to grow and improve effectively
- Identify low performers to target support for performance improvement
- Identify high performers to target efforts to retain/develop future leaders
- Make and communicating defensible pay and promotion decisions

PM is often associated with just the appraisal process; in fact, to be effective, it needs to be a much larger system extending beyond annual reviews.

WHEN DONE RIGHT,
PERFORMANCE
MANAGEMENT (PM) IS A
**COMPREHENSIVE
PROCESS** THAT
DRIVES EMPLOYEE
DEVELOPMENT AND
COMPANY RESULTS.

The effectiveness of the system will depend on management's commitment to the following principles:

KNOW YOUR OWN GOALS

1

Agree on what "good" performance is and how important rewarding it is
Agree on how underperformance will be managed and commit resources

GET PEOPLE TALKING

2

Embed performance and development discussions into day-to-day work
Everyone is responsible for collecting feedback
Promote team members' strengths and make peer-to-peer learning the norm

ASSESS ACCURATELY

3

Solicit feedback broadly – but don't weight it equally
Be honest about which metrics are "hard" vs. subjective
Find ways to move past bias (e.g. concrete examples, 'stop, start, continue')

SUPPORT THOUGHTFULLY

4

Focus on forward-looking, strengths-based, coaching for high *and* low performers – but think carefully about high performer retention
Prepare for and have the tough conversations – ask peers for support!

ALIGN SYSTEMS

5

Career paths: Create development opportunities for high performers
Learning & Development: Align learning opportunities to needs identified
Compensation: Money talks – make sure it sends the right message

STATS

A global PwC analysis ("Rethinking your performance management program") showed that effective performance management delivers tangible results:

+15%

Jump in project completion rates

+3%

Improvement in employee productivity

+5%

Increase in time spent on strategic priorities

-13%

Decrease in turnover rates



PUT INTO PRACTICE

BRAINSTORM SPECIFIC CHANGES YOU CAN MAKE TO INCREASE THE EFFECTIVENESS OF YOUR PERFORMANCE MANAGEMENT SYSTEM

REVIEW THESE FIVE PRINCIPLES WHICH SUPPORT MANAGERS' ABILITY TO DELIVER EFFECTIVE PERFORMANCE MANAGEMENT

KNOW YOUR OWN GOALS

1

What are your organization's performance expectations for your employees & have you communicated this to them?

GET PEOPLE TALKING

2

Do employees discuss their performance with each other and give each other feedback and support?

ASSESS ACCURATELY

3

Does the performance appraisal system in place ensure that you get an unbiased, fair assessment of employees?

SUPPORT THOUGHTFULLY

4

Do you offer support that retains and rewards high performers and develops low performers?

ALIGN SYSTEMS

5

Is your performance management system linked to other aspects of the business such as career path, learning and development; etc.?

ASK YOURSELF

How well is your organization performing?

Where are current management practices and systems driving the right outcomes and where do you see opportunity for improvement?

PM is evolving away from hierarchical, top-down systems toward models that aim to support and empower employees.

	Driven by efficiency	Driven by profitability & growth	Driven by empowering employees	Driven by mission & purpose
Perspective	The corporation viewed people as "workers"	Leaders as the "kings" of the corporation	Leaders lead by example & empower employees	Management are now "team leaders"
Goal	Goals focused on production	Top-down, cascading goal	Organization-wide goals	Aligned, but localized goals amongst teams
Comp. Philosophy	Comp. linked to productivity	Comp. linked to rank	Comp. linked to team success	Comp. linked to holistic perf. including development
Examples	Henry Ford of Ford Motors	Jack Welch of GE	Steve Jobs of Apple	Google and Netflix

Source: Predictions for 2016 – Bersin by Deloitte research paper <https://www2.deloitte.com/content/dam/Deloitte/at/Documents/human-capital/bersin-predictions-2016.pdf>.

CASE STUDY

DELOITTE USED SIMILAR PRINCIPLES TO RADICALLY RE-DEFINE THEIR PERFORMANCE MANAGEMENT SYSTEM.



GLOBAL PROFESSIONAL SERVICES FIRM WITH >240,000 EMPLOYEES

CHALLENGE

- Appraisal process consumed >2M hours / year
- 58% of executives thought system drove neither performance nor engagement



REVISED GOALS: (1) RECOGNIZE (2) SEE (3) FUEL PERFORMANCE

INTERVENTION

Defined expectations: Reinforced use of weekly check-ins to define priorities and discuss recent work
Individual goals: Set and managed with a strengths-focused, weekly, self-assessment tool
Formal reviews: Asked managers what they would “do” and not what they thought about specific skills
Coaching and feedback: Made coaching managers’ job; empowered junior staff to make it happen



OUTCOMES

“WE [NOW] SEE THE POSSIBILITY OF SHIFTING FROM ASCERTAINING THE FACTS OF PERFORMANCE TO CONSIDERING WHAT WE SHOULD DO IN RESPONSE TO THOSE FACTS.”

Source: "Deloitte 2016 Global Report." Deloitte. Retrieved 7 September 2016 — <https://hbr.org/2015/04/reinventing-performance-management>.



INTRODUCTION TO EMPLOYEE ENGAGEMENT

CREATING AN ENGAGED TEAM
TO DRIVE PERFORMANCE

Leaders know engagement is important, yet few employers have managed to create engaged workforces. Employee engagement drives business performance through discretionary effort.

Why it's critical to diagnose your company's talent symptoms before investing in treatment

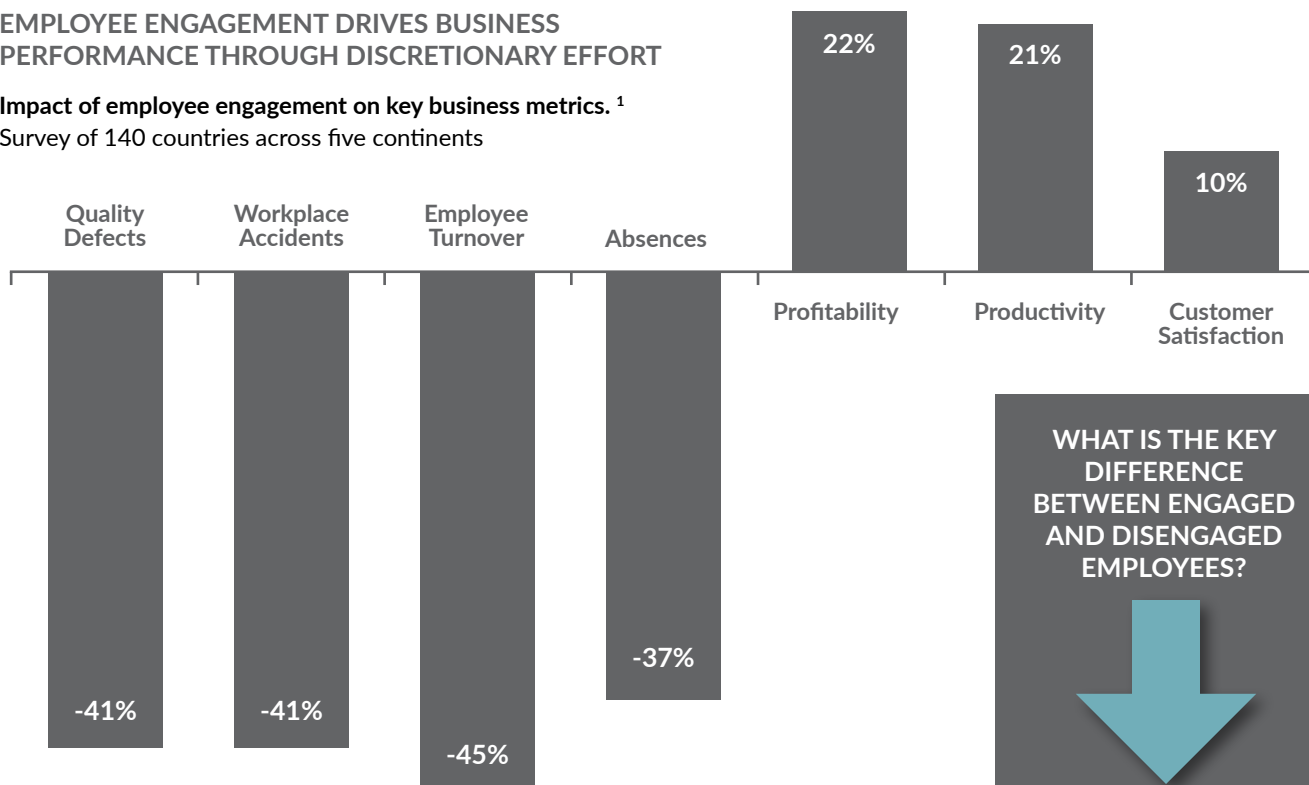
<https://medium.com/village-capital/why-its-critical-to-diagnose-your-company-s-talent-symptoms-before-investing-in-treatment-9cfbf1bbcd20>

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EMPLOYEE ENGAGEMENT DRIVES BUSINESS PERFORMANCE THROUGH DISCRETIONARY EFFORT

Impact of employee engagement on key business metrics.¹
Survey of 140 countries across five continents



LEADERS KNOW ENGAGEMENT IS IMPORTANT, YET FEW EMPLOYERS HAVE MANAGED TO CREATE ENGAGED WORKFORCES

Employee engagement³
Survey of 140 countries across five continents

21%
Respondents who say employees at their organization are engaged

22%
Respondents who say employee engagement is important to organizational success

WHAT IS THE KEY DIFFERENCE BETWEEN ENGAGED AND DISENGAGED EMPLOYEES?



DISCRETIONARY EFFORT

“Engaged employees go the extra mile, work with passion, and feel a profound connection to their company. They are the people who will drive innovation and more your business forward.”²











EMPLOYEE ENGAGEMENT⁴ can be increased by interventions which increase intrinsic motivators: play, purpose and potential

Intrinsic motives strengthen performance. These are reasons/motives for performing a particular task that are directly linked to the activity.	PLAY	You are motivated by work itself – you enjoy your day-to-day	<i>Time for team problem solving; support for experimentation</i>
	PURPOSE	Direct outcome of work fits your identity – you value work's impact	<i>Interaction with end user Ownership of end-to-end process</i>
	POTENTIAL	Outcome of work benefits identity – work enhances your potential	<i>Strengths-focused skill building linked to your goals</i>
Extrinsic motives weaken performance. These are reasons/ motives for performing a particular task that are external to the individual and are unrelated to the task they are performing.	EMOTIONAL PRESSURE	Work driven by fear of disappointing yourself/others	<i>Objective targets (e.g. sales) Performance reviews</i>
	ECONOMIC PRESSURE	Work to gain reward/avoid punishment (especially financial)	<i>Target-linked bonuses Large percent of compensation at risk</i>
	INERTIA	You do your work because ...well, you did it yesterday (no link to identity)	<i>Lack of any other drivers!</i>

Sources: (1) How Employee Engagement drives growth www.gallup.com/businessjournal/163130/employee-engagement-drives-growth.aspx; (2) www.gallup.com/businessjournal/166667/five-ways-improve-employee-engagement.aspx; (3) “The Impact of Employee Engagement on Performance,” A report by Harvard Business Review Analytics; (4) Doshi, Neel, and McGregor, Lyndsey, *Primed to Perform*



THERE ARE (AT LEAST) FIVE LEVERS THAT ORGANIZATIONS CAN USE TO DRIVE ENGAGEMENT THROUGH INTRINSIC MOTIVATION

PLAY	PURPOSE		POTENTIAL	
 Engaging role structure Does the day-to-day include activities employees enjoy? Do they feel ownership over their work?	 Collaborative management Do employees feel trusted & supported by managers? Do managers actively coach and mentor?	 Sense of purpose Do employees believe their work contributes to something they believe in? Do they see the impact firsthand?	 Opportunities for growth Are employees developing skills they value, and being stretched? Do they see a path forward for themselves?	 Belief in leadership Do company values resonate with employees? Do employees see their leaders living those values?
 Google links individual and company goals, factoring filling positions based on employee strengths and aspirations	 Apple's managers are encouraged to have an open door, approachable and collaborative policy	 Toyota assembly workers are encouraged to invent tools/ways of improving their work	 Nike employees are encouraged and supported to spend 10% of their time learning new skills	 AutoTrader aligns employee goals to the organizational goals to ensure they understand their role in the business
Give people space and support to take risks and innovate – where appropriate	Include an aspect of “encouraging upward feedback” in managers’ performance reviews	Articulate how each role furthers company mission and creates impact, and give first-hand view (e.g. through customer contact)	Ensure leaders’ decisions and rationale are transparently communicated	Give employees significant ownership and “step-up opportunities”
Create opportunities for people to work together and brainstorm	Train managers on how to coach employees and give feedback	Have employees make vision statements for their work	Ensure that leaders articulate, role model, and reward company values	Support employees personalized development plans (e.g. trainings, other resources)

THERE ARE SEVERAL LOW-EFFORT & LOW-COST APPROACHES THAT SGBS CAN IMPLEMENT TO IMPROVE ENGAGEMENT AMONG THEIR EMPLOYEES



Google example: Jessica Lombardo, Google's HRM: Compensation, Career Development, Panmore website, 28th January 2017, <http://panmore.com/google-hrm-compensation-career-development>

Apple example: How Does Tim Cook's Management Style Differ from Steve Jobs? (AAPL), Investopedia, 28th October 2015, <https://www.investopedia.com/articles/professionals/081715/how-does-tim-cooks-management-style-differ-steve-jobs.asp>

Toyota example: When GM Adopted Toyota's Secret Sauce With Kaizen, Vocoli, 8th December 2014, <https://www.vocoli.com/blog/december-2014/when-gm-adopted-toyota-s-secret-sauce/>

Nike example: Aimee Groth, Everyone Should Use Google's Original '70-20-10 Model' To Map Out Their Career, Business Insider, 27th November 2012, <http://www.businessinsider.com/kyle-westaway-how-to-manage-your-career-2012-11?IR=T>

Autotrader example: Making a difference to our employees, AutoTrader website, <http://about-us.autotrader.co.uk/corporate-responsibility/our-people/>



PUT INTO PRACTICE

Brainstorm specific changes that you can make to improve employee engagement at your organization



Look at the five areas that support employee engagement and think about two specific employees at your organization — a less-engaged employee and a very engaged employee

- **Think of the engaged employee.** From his/her perspective, what is your organization currently doing well in each area? What is the key driver of engagement?
- **Think of the disengaged employee.** From his/her perspective, where do you think your organization is performing less well?

Brainstorm specific things you can do at your organization to improve employee engagement.

This can be:

- In general
- For a specific role type or level
- For a specific employee.

Companies can track employee engagement over time, within the organization and in comparison to peers:

SURVEY QUESTIONS THAT MEASURE PERCEIVED ENGAGEMENT¹

- I am proud to be part of this organization
- People in this organization value new ideas
- I continue to work at my current job because I believe the work has an important purpose
- I continue to work at my current job because this type of work will help me reach my career goals

METRICS THAT MEASURE ENGAGED BEHAVIORS

- Retention rates
- Employee referral rate
- Participation in non-compulsory meetings
- Social media usage during working hours
- External metrics (e.g. Glassdoor ratings)

A COMBINATION OF DIRECT FEEDBACK (SURVEYS) AND INDIRECT DATA COLLECTION ENSURES THAT THE COMPANY MEASURES **PERCEIVED ENGAGEMENT** AS WELL AS **ENGAGED BEHAVIORS**

FROM ENTREPRENEUR HUSTLE TO MANAGER AND LEADER



WHY YOU CAN'T — AND SHOULDN'T — DO IT ALL

BLOG POST Moving from entrepreneur and hustler to manager and leader

<https://vilcap.com/2018/01/09/moving-entrepreneur-hustler-manager-leader/>

Some people draw a distinction between leading and managing, and it is useful to think about leadership as providing direction and energy while management provides structure and efficiency. An entrepreneur has to cover both of these aspects.

Most entrepreneurs struggle with “Founder Syndrome.” In the early days, start-ups tend to work as informal networks. The founding team makes most — if not all — decisions. Often late at night. Sometimes over pizza. But as companies move beyond product-market fit, this

model quickly becomes stifling. The team grows, but the structure and culture doesn't keep up. Decision-making bottlenecks start to hold back growth. Skill gaps and blind spots open up.

As entrepreneurs, we know we can't do it all. But we like to think of ourselves as hustlers, rainmakers, and world-changers. ‘Manager’ doesn't quite have the same ring to it. The word conjures up images of bad suits, pen-pushing, boring meetings, text-heavy PowerPoints and awkward team-bonding exercises. Hardly the stuff of transformation!

DON'T TRY TO DO IT ALL YOURSELF

The first thing to note is that good leaders don't do it all themselves. It's an obvious point, but one that still confounds many talented entrepreneurs and leaders. We absolutely must learn the difficult lesson that our success depends on the successful work of other people. So other people are our job, rather than being distractions from our job.

A senior manager told us how she shifted her position: instead of being the go-to 'fix-it' person for her team, she now gently throws back the problem, while ensuring she's there to offer support and guidance.

All it took was a few simple questions:

- What do **you** think we should do?
- When you brainstormed solutions, what did you come up with?
- Shall we start by brainstorming some solutions together? You start.
- What can I do to help you solve this?

Try it. It's a simple shift, but it makes a huge difference. You will feel more in control of your time, while your team will feel empowered. They'll feel like you trust them and they'll take pride in their work. Eventually, you'll notice they start solving problems before you even hear about them.

HIRE THE RIGHT PEOPLE

Nelson Mandela got it right. When Mandela became President of South Africa in 1994, he knew he needed to focus his own energies and efforts on describing a vision for the country that all South Africans could enthusiastically support. But he rarely chaired a cabinet meeting, leaving that management role to his two deputy presidents! He had the maturity to draw on their strengths in managing the country, while freeing himself up to exercise his own gifts for leading. Effective leaders—and that includes entrepreneurs—need to ensure that all roles are fulfilled and the job gets done. That doesn't necessarily mean doing the job ourselves.

MANAGEMENT
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PARTICULARLY IF
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**MANAGEMENT
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HAVE TO BE
MUNDANE.**



EXERCISES: HEAD, HANDS AND HEART

Finally, at AMI, we use a simple model called 'Head, Hands and Heart' to guide our own culture of leadership and management and to help our clients think about theirs. It's a useful checklist of questions for entrepreneurs who want to lead, and manage, well, provided by the three elements of head, heart and hands.

HEAD (DIRECTION):

- **What are the strategic purposes of your part of the organization?**
How do you renew your own vision of your purpose and the strategy of your team?
- **Do your followers know where you are taking them?** Are they excited by the destination and the journey? Would they continue to go there without you?

HANDS (EXECUTION):

- **How do you measure your company's performance?** What are you doing to ensure that your systems, processes and policies are optimally enabling for your people?
- **How do you hold your people accountable for their performance?** What are you doing to help them grow and equip them for their roles?

HEART (ENERGY):

- **What energizes your people?** How well do you connect with them, both to listen and to influence? Are they getting along with one another? What is the "smell of the place"?
- **What energizes you?** How are you growing and protecting your own energy? What is your mission in life? How do you discipline yourself?

So, management matters, and it doesn't have to be dull. Get it right, and it can be transformational - for your business, and your team (it can also be fun.)

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