



MICHAEL SLOAN

The 20% solution

A well-worn economic theory can help make your best employees even better. And give mediocre staff a big boost, too

Vilfredo Pareto never ran a grocery store. But the early 20th century Italian economist did come up with one stupendous idea I'm certain can be of huge benefit to your business—specifically, employee productivity.

His great idea was the “80/20 rule,” otherwise known as the Pareto Principle. It goes like this: 80% of your results come from 20% of your efforts. Pareto came up with this rule after noticing that 80% of Italy's wealth was in the hands of 20% of its people.

So how can ol' Pareto's theory help your business? Easy. If you accept that 20% of your efforts are responsible for 80% of your results, you'll pay more attention to that precious 20%. For instance, if 20% of your customers are responsible for 80% of your sales, then you should bend over backwards to befriend and cater to those customers.

But let's look at the 80/20 rule in relation to your staff. Does a small group of employees (say 20%) do the bulk of the work in your store? Can the majority of sick days be attributed to a few? And is the top-tier, one-fifth of your staff truly great at serving customers, while the bottom fifth don't seem to care about satisfying shoppers at all? If you answered yes to any of these, chances are you're not deploying staff in the right parts of your store to get the best results.

Most of the time, store managers assign the most talented people to take care of the most challenging problems that, even once resolved, generally contribute little additional revenue for the company. Wouldn't assigning these employees to the tasks that actually produce the most revenue and profits for your store be most effective? After all, these are the areas most important to your business.

Here are a few other ways the 80/20 rule can be used to get more out of your staff:

20% of your staff contributes to 80% of productivity. If you agree this is the case, meet with your “top 20%” employees one-on-one often. Use these sessions to identify their favourite tasks. Ask what time of the workday they like best and least. Find out which other jobs in the store they'd like to try. These chats will let you find out what makes these employees tick and give you a sense of which jobs might be swapped. Keep in mind that a task one person hates may be the same one someone else loves.

20% of your employees shoulder 80% of the responsibility. Day to day, your store is likely taken care of by a small group of staff. Sometimes these people will be obvious; other times they're harder to pinpoint. Once you do identify them, show

your appreciation. Praise them for a job well done, and occasionally reward them. Most of all, give them more flexibility than other employees.

20% of your employees cause 80% of the problems. It can range from an employee who is chronically late to one who isn't entirely competent at their job. When you identify these people, you'll have to seriously consider whether or not to let them go. But quite often that 20% is filled with earnest people genuinely interested in doing a good job. Consider switching them to another department that might bring out their strengths. Or provide extra mentoring to improve their performance. After all, you've spent money recruiting them; you might as well see if you can salvage the investment before giving up.

Speaking of training, drop by the Canadian Grocery HR Council's booth at Grocery Innovations Canada, in Toronto October 25 and 26, to learn about our new Safe Food Handling program. It's a great way to get staff up to speed on the principles of food safety, preparation and storage, as well as common safety rules. **CG**

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