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# RECRUIT AND RETAIN

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## TIPS TO FIND AND KEEP THE BEST AND BRIGHTEST

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BY GREGORY P. SMITH



**P**onder for a moment the last person you hired. Did he work out as intended? Or did he turn into somebody totally unlike your original perception of him during the interview?

The most important aspect of any business is recruiting, selecting, and retaining top people. Research shows that those organizations that spend more time recruiting high-caliber employees earn 22% higher return to shareholders than their industry peers.

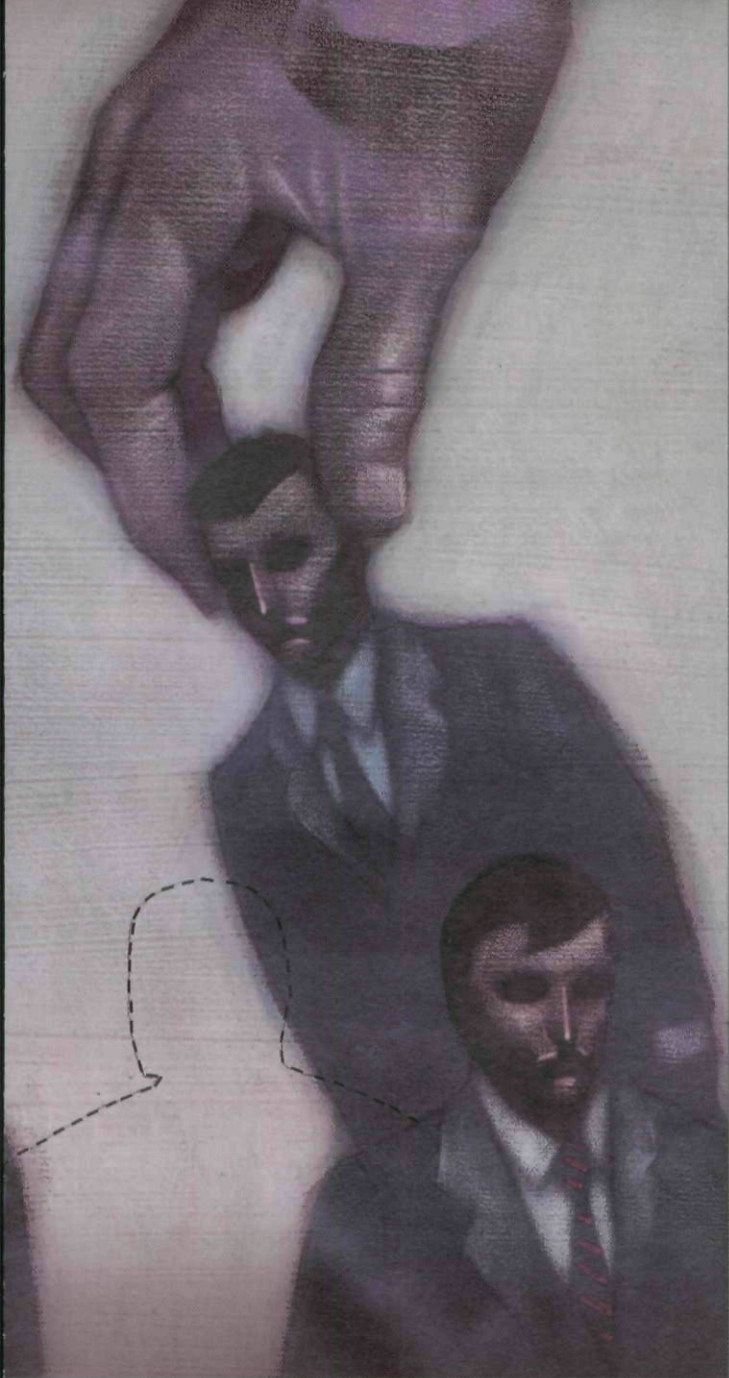
However, most employers do a miserable job of selecting employees. This is because many companies rely on outdated and ineffective interviewing and hiring techniques. This critical responsibility sometimes gets the least emphasis.

Hiring and interviewing is both art and science. Refusing to improve this vital process will almost always guar-

antee that a company will spend money and time hiring the wrong people.

Cisco CEO John Chambers says, "A world-class engineer with five peers can out-produce 200 regular engineers." Instead of waiting for candidates to apply for jobs, top organizations spend more time looking for high-caliber employees. There are several steps in an effective selection and interviewing process.

Prior to the interview, make sure you understand the key elements of the job. It is useful to come up with a simple outline that covers the job duties. This can be developed by working with the incumbent or those familiar with the job's various responsibilities. Then screen the resumes and applications to gain information for the interview. And prepare a list of standard questions to ask each applicant.



accountable for performance objectives for their team, business unit, or organization, and the consequences they are responsible for when mistakes are made.

The hardest to determine, as well as the most important part of the process, is identifying the people skills a person brings to the job. Each applicant wears a mask. A good interviewing and selecting process discovers who is behind that mask and determines if a match exists between the individual and the job. A company will improve its hiring process by understanding the applicant's personality style, values and motivations.

Obviously many jobs, particularly sales jobs, require a high degree of people contact. By placing someone who dislikes interaction with others in this job would be a mismatch, affecting his or her job performance.

Increasingly, companies are using pre-employment profiles as an important aspect of the hiring process. By using behavioral assessments and personality profiles, organizations can quickly discover how the new hires will interact with their co-workers, customers and direct reports. They provide an accurate analysis of an applicant's behaviors and attitudes that would be otherwise left to subjective judgment.

The best interview follows a structured process. This doesn't mean the entire process is inflexible without spontaneity. It does mean that each applicant is asked the same questions and is scored with a consistent rating process. A structured approach helps avoid bias and gives all applicants a fair chance. The best way to accomplish this is by using behavioral-based and situational-based questions.

Behavioral-based questions help you evaluate the applicant's past behavior, judgment and initiative. Here are some examples:

- Give me an example when you . . .
- Describe a crisis your organization faced and how you managed it.
- Tell me about the time you reached out for additional responsibility.
- Tell me about the largest project you worked on.
- Tell me about the last time you broke the rules.

Situational-based questions evaluate the applicant's judgment, ability, and knowledge. The interviewer first gives the applicant a hypothetical situation such as:

"You are a manager, and one of your employees has just told you he thinks another worker is stealing merchandise from the store."

- What should you do?
- What additional information should you obtain?
- How many options do you have?
- Should you call the police?

Next, remember that skilled and talented people have more choices and job opportunities to choose from. The interviewer forms the applicant's first impression of the company. The interviewer is not only trying to determine the best applicant, but also to convince the applicant that this is the best place for him or her to work.

It also is important to identify the knowledge, attributes, and skills the applicant needs for success. If the job requires special education or licensing, be sure to include it on the list. Identify the top seven attributes or competencies the job requires and structure the interview accordingly. Some of these attributes might include the level of authority the person has to make decisions, discipline, hire and fire others, and establish performance objectives. It can include the person's financial responsibility, authority and control. It also can include how this person is held

## Why Traditional Techniques Fall Short

Most applicants exaggerate to get a job.

Most hiring decisions are made by intuition during the first few minutes of the interview.

Two out of three hires prove to be a bad fit within the first year on the job.

Most interviewers are not properly trained nor do they like to interview applicants.

Excellent employees are misplaced and grow frustrated in jobs where they are unable to use their strengths.

Once the right candidate is hired, focus must turn to keeping that employee. Creating a high-retention workplace has more to do with good managers than anything else. Yes, a company must pay people well. Sure, it has to provide decent benefits. But it begins with leadership.

One way to improve retention is to provide a positive working environment. Daniel Goleman, in his book, "Primal Leadership" says, "The climate created by the CEOs among their direct reports predicted the business performance of the entire organization. In 75% of the cases, climate alone sorted companies into high versus low profits and growth."

Indeed, one-third of the executives surveyed by Robert Half International say the work environment is the most critical factor in keeping an employee satisfied in today's business world. A key aspect is workplace flexibility. First Tennessee National Corp. started making workplace flexibility a top priority. They reshaped the rules they had forced employees to live under, added many family-friendly benefits, and sent managers through three and one-half days of intensive management training. The result was that employees stayed twice as long, and the bank kept



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7% more of its customers.

Money may bring individuals in the door, but something else has to keep them from going out. People have a basic human need to feel appreciated, and recognition programs help meet that need.

A successful reward and recognition program does not have to be complicated to be effective. An equipment dealership in Louisville, Ky., has almost eliminated turnover by their programs. The employees participate in a

profit-sharing plan that could possibly mean close to \$1 million upon retirement. Another incentive surrounds anniversaries. Every year employees celebrate their work anniversary with a cake and receive \$100 gift certificate for a tool company.

Twice a year employees' children receive a \$50 savings bond when they bring in their all-As report card. And each employee's driving record is screened twice a year. Anyone who has a citation is removed from the program. Those employees remaining at the end of the year split \$2,000.

Good organizations involve the ideas and suggestions of everyone. In order to foster the exchange of ideas within departments, Sony sponsors an annual idea exposition. During the exposition, scientists and engineers display projects and ideas they are working on. Open only to Sony's employees, the exposition lets individuals share ideas across each department. This process creates a healthy climate of innovation and creativity at all levels of the organization.

For many employees, learning new skills is just as important as the money they make. In a study by Linkage, more than 40% of the respondents said they would consider leaving their present employer for another job with the same benefits if that job provided better career development and greater challenges. The National Center on the Educational Quality of the Workforce found on an average, a 10% increase in work force education level led to an 8.6% gain in total productivity. On the other hand a 10% increase in the value of equipment only increased productivity 3.4%.

A department with high turnover is a clear sign that the manager needs help. A company's evaluation and analysis process should include measuring the cost of turnover, employee attitudes, and which manager or department does the best and worst with employee turnover. Reward the good managers and fix the bad managers.

La Rosa's Company completes a cultural audit once a year, which measures such things as employee's feelings about pay and benefits, care and recognition. Additionally, all employees evaluate their bosses twice a year using an Internal Customer Satisfaction Index. The ICSI has only four questions, and asks the employees to give their managers a letter grade from A to D in four different categories.

In today's tight job market it is critical to attract and retain the best employees available.

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