

Hiring for talent aids job retention, saves money

It has been said time and time again and in many different ways: Your employees are your number one asset. Nothing affects your bottom line more than your work force. You're only as good as your people.

With unemployment hovering near its lowest point in four decades, those statements have never been so true.

Studies have shown, the No. 1 issue facing today's businesses and the bottom line is finding, hiring and retaining quality employees, and it's not going to get any easier. Companies that do this successfully have seen improvements in all aspects of business. They have seen higher attendance records, greater job satisfaction, less turnover and superior job performance; all major influences in business success and revenues.

Companies that fail to select the right people or effectively match people to jobs have continued to struggle with employee retention, production gaps, team compatibility, company morale and management inefficiencies. Very rarely are these people challenges caused by the company's compensation, education or technical systems.

Until a company analyzes and specifies exactly what it is looking for in a candidate, it is not going to find them.



When a company hires someone who doesn't fit the position, past failures have shown that no amount of training or managing can induce the level of success comparable to those who naturally excel in the job. Hiring mistakes lead to limited production, lower revenues and human resource headaches. They almost certainly end in costly resignation or termination.

The U.S. Department of Labor estimates it costs a company one-third of a new hire's yearly salary to replace an employee. When all of the separation, recruitment, new hire, training and lost productivity, customers and sales are taken into consideration, experts say turnover can actually cost as much as 150 percent of a person's annual salary and up to 250 percent for sales or management positions.

Let's say a company has 30 salespeople, each with annual salaries of \$50,000. The company loses five people a year. That equates to between \$375,000 and \$625,000 a year that the company loses. In many cases, that blow to the bottom line is suffered far into a new hire's tenure.

Let's say the same company experiences a productivity gap. The seven top producers average \$40,000 in revenues per month while the 23 mid- to low-level producers average \$25,000. With a \$15,000 production gap between top producers and all others, the company loses up to \$345,000 per month. Annually, the company loses as much as \$1.4 million dollars by hiring subpar salespeople.

By hiring smart and staying current with hiring practices and technology, turnover is 80 percent avoidable. However, many companies still spend more time in choosing a fax machine, long distance carrier or photo copier than they do deciding upon a \$50,000-a-year employee.

HIRE STRATEGY



Grant Robinson



of each new hire or promotion.

Every company has a few who shine or excel above others in the same position. However, very few companies recognize what similar characteristics, interests or abilities these top performers share or use this information in compiling position opening ad campaigns, job descriptions, candidate benchmark comparisons or training programs.

Many aspects need to be taken into consideration and applied to create a job success pattern. The three most important are: the managing superior's combined definitions of the job's duties and responsibilities, an all-inclusive written job description and the job-related characteristics gath-

Successful companies realize that success hinges on pairing the right employee with the right job.

Until a company analyzes and specifies exactly what it is looking for in a candidate and employee, it is not going to find them. Without a written job description and job success pattern for every position, a company is still gambling on the productivity and retention

ered on the position's top performers.

By comparing each candidate to the job success pattern, an employer will have three very important answers before a second interview: can, will and how well will the candidate do the job? With these patterns, it becomes easy to identify where individuals fit well into positions. The future responsibility of managing these employees to success and productivity is also greatly reduced because the employer has matched a person to the job rather than been forced to redefine duties and match the job to a person.

Companies have found, when they use job patterns and hire people most like their top performers, training periods go much smoother and are less expensive. In today's job market where an employee can quit a job one day and be rehired by a competitor the next, effective training has become another key to retention.

Managers and trainers must be constantly assessed, given feedback and coached to insure peak organization and effectiveness. It is important to not only evaluate the trainer but their boss, peers, direct reports and all other observers of the trainer's skill in the development of others. By inventorying needs on a regular basis, successful companies are able to improve, amend and vary the training program to achieve return on their investments.

At a time when managers spend 60 percent of their efforts trying to solve people challenges, job matching has saved costly time and has greatly increased retention and productivity. Effective training programs can only enhance a good match and ensure future success not only for the employee, but for the company.

GRANT D. ROBINSON is the president of People Values Consulting of the Northwest, a company that strives to improve employee retention, productivity and training. Robinson may be reached at www.peoplevalues.com.