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## Strategies for Hiring and Retaining Valuable Employees

### **Part 1: Introduction**

Being that one of the most challenging tasks for a business is to retain skilled employees; the Human Resource Department is one of its most valuable resources. The constant need for companies to find and hire employees is a costly one. It has been calculated by the Job Openings and Labor Turnover Survey that since the middle of 2009 to now, the turnover rate has increased by 0.5%. This may seem insignificant, however it represents a large number of individuals in the workforce and may be indicative of an upward trend in future years. Finding ways to retain employees will cut down on expenses throughout the human resource department. Fine tuning of the interviewing process is the first step in the hiring and retention of employees. One of the ways in which to prevent employee turnover is to strengthen the relationship between leaders and their employees. Management participation during the hiring or interview process is an effective way to begin the relationship and determine the interviewee's compatibility with the manager's leadership style. The strategic plan is to reduce employee turnover rates while minimizing recruitment expenses. This can be accomplished by instituting strategic hiring processes which are tailored to the needs of the company. These strategies include the specialization of the interview and recruitment processes.

## **Part 2: Interview Strategies**

The most significant factor in the hiring process is the interview, but often it is for the wrong reasons. The interview can be structured in such a way that smooth-talking is rewarded rather than honest self-evaluation. High turnover rates can be a major issue for any company and it starts with the improper structure and execution of the interview. It has been estimated that for every employee to be replaced it costs the company a staggering two times their salary. This takes into consideration productivity loss, recruitment fees, advertising costs, training costs, and the subsequent effect of high turnover on employee morale. Shifting the primary focus of an interview and the types of questions being asked can go a long way to reduce this unnecessary economic burden that the company carries.

The primary focus of most interviews is assessing a candidate's job experience, skills, and availability. While these are all key factors to consider they do not ensure a good fit for the company. It is important to assess a person on more than just skills and experience. The primary focus should be to evaluate their personality and values; in order to determine whether they are consistent with that of the company. The use of open ended questions are often a good way to receive insightful and honest answers from a candidate. Questions that determine a candidate's motivation are often indicative of productivity and overall interest in the field. Some examples include, "What made you choose this career path?" or "What do you hope to accomplish in this field?" It is also important to look for and encourage candidates to ask questions of their own. This can indicate if a person is interested and shows that they want to make the best decision they can based on the information provided; this speaks to their analytical skills as well.

During the interview process it is important for the company to consider more than one perspective on a given candidate. It is often the case that certain individuals present a bias when it comes to personality traits. The use of multiple interviewers for a given candidate should reduce this bias. In the long run this will lead to a more diverse workforce when it comes to personality which usually translates to better compatibility and productiveness.

### **Part 3: Psychology Behind Hiring**

When it comes to interviewing, what you see is not always what you get. Naturally in almost every area of our lives, we struggle to present ourselves in a favorable way. We as humans do this to gain acceptance into desired areas of our lives. We do not disclose our bad habits in our relationships, car salespeople do not admit flaws in the vehicles they sell; and finally many job applicants do not divulge the fact that they were fired from their last job in an interview. These attributes for the average person can be contributed to self-preservation tactics.

A factor that is related to self-preservation tactics that affect an interview is impression management. According to Lievens and Ghent (2008), the definition of impression management is “the process by which people attempt to influence the images others have of them during social interaction, either consciously or unconsciously” (p. 174). There are several different types of impression management: verbal, nonverbal, self-focused, and self-promoted. Verbal and nonverbal impression management are used to construct a more favorable image of oneself. Self-focused and self-promotion impression management is used to show that one possesses the desired qualities for the job. Little attention has been paid to the interviewers of people who use

impression management. Often times people in a self-preservation mind set will sneak past interviewers who are not able to see through the impression management.

There are several approaches for minimizing the interviewers sensitivity to impression management: structured interviewing practices, question standardization, and response scoring standardization. All of the reasons listed above, help enable interviewers to focus on just the conversation associated to the job-related aspects, so that the impression management from the interviewee is minimized. Behavior description interviews also help interviewers see through impression management by asking questions dealing with previous jobs or life experiences. It is harder for an interviewee to paint himself or herself in a better light this way, as compared to asking them hypothetical questions. Even experienced interviewers can fall into the impression management trap. Though they are more keen to non-verbal impression management, businesses should not rely solely on their judgment.

#### **Part 4: Retention and Managements Role**

Equally important is the retention of valuable employees once they are hired. When it comes to employee retention, surprisingly, compensation is often the smallest contributing factor. Compensation is considered to be a satisfier not a motivator. A yearly percentage increase in an employee's salary usually does not translate to increased productiveness, but actually may lead to the opposite. It is important to keep wages competitive but it is not what necessarily drives the employee. An employee seeks a comfortable work environment in which they feel appreciated. The task falls on the manager to ensure this remains the case. For a manager it is important to establish the best possible working atmosphere and to effectively communicate with employees. Communication is critical when it comes to retaining employees. The most effective

form of communication for any business is regular employee small group meetings. It will provide employees with an opportunity to present their work and make them feel more a part of the company. On a more personal basis, it is often important to showcase flexibility as a manager. This is a very appealing quality to many employees. An Open Door Policy is often an effective way to make employees feel comfortable, this allows them to lay their issues out on the table where they can be solved.

However, after you have implemented new hiring practices, it is possible that the people that may be great for your business are still leaving for some reason. When this is the case, it is time to for new methods to retain the latest hire. The way to do this is to strengthen the relationship between upper and middle level management with the new hires. New employees are looking for guidance and support from their management staff. It can start as early as day one of new hire training or even the new hires first interview, it's never too early or too late to start building engagement. Management can help new hires by coaching and mentoring them; always keeping them exposed to the positive high performing peers, while keeping them away from people with negative attitudes.

### **Part 5: Retention through Internships and Technology**

Companies must refine their hiring process in order to ensure that they are providing the correct tools necessary for future employees. Are interviewee's being given enough information from companies to make an educated decision of whether or not the job is right for them? The recruiting and management of new employees is no easy task; it is a major reason why companies continue to hire people who do not have the necessary skills designed to be successful

for a specific job. A major issue that companies must address is deciding what kind of employees they want to hire and what the most effective way to find them is.

Even today in the 21<sup>st</sup> century, many companies are still using the same hiring process they have used for decades. Over the past 10 years, the business landscape has changed globally. Increasingly diverse work forces and aging has led to changes in social and demographic trends. These recent developments call for businesses to be more technologically dependent. Companies are now starting to integrate this new technology into the hiring process. Project Management also known as Q-S4, is a scientific approach of matching a potential recruit with an employer. It can be broken down into 4 steps: staging, sourcing, screening and selection. These steps help to fine tune the hiring process and allows companies to identify, on a high volume basis, the best candidate from both a revenue producing and mission critical standpoint. Companies will be able to compare the characteristics needed for the job with the characteristics of the candidate at a more efficient rate. A program like this can be very useful because it helps companies tailor their hiring process to their specific field. This is important in today's business world because not all jobs require the same skills but yet a majority of them use the same hiring process. This leads to the wrong people getting hired for the job. The Q-S4 system will help find candidates more consistently using a more scientific approach to adhere to today's technologically advanced environment.

Another way in which companies are fine tuning the hiring process is the implementation of longer internship programs. Businesses are working in conjunction with Universities to offer internships earlier in a student's academic career. For example, companies have started providing internships to college juniors rather than focusing mainly on seniors. Giving college students a chance to start internships in their field of interest at an earlier date is a very smart decision.

From the students perspective it gives them real life experience in the field they are trying to pursue. Being involved in a longer internship program will give them a firm understanding of what it takes to be successful at the job; while also providing a better opportunity of getting a job after graduation. Some companies have decided to offer paid summer internships to students as an incentive. Companies know that many college students are looking for jobs during the summer, so why not give them one that could benefit your company in the future. Other companies choose not to pay their interns and have taken an alternative approach such as tuition reimbursement or receiving credits for students who choose to participate. Either way, it's a win-win situation. Colleges benefit from connecting with big name companies because it distinguishes them, while in addition to offering them financial support. Students enjoy it because it gives them knowledge and job insight into there desired field at a younger age. It will also provide them with real life work experience rather than just learning through a book in the classroom. The last and most important factor is what internships do for the company. By offering internships to college juniors, companies will now be able to hold on to interns for a longer period of time. They will be able to train and teach them at a more efficient rate and not have to worry about them leaving to pursue other job opportunities. Companies will have the ability to train and assess interns for a year and a half rather than 10 to 12 week programs. This experience will also help the future employee build confidence in his or her abilities. Due to the length of the internship, it will provide a sense of comfort for both the company and possible future employees. Companies look at this as a more effective way of retaining their employees and will help reduce company turnover while minimizing cost.

## **Part 6: Conclusion**

There are certainly many issues that need to be addressed in order to decrease turnover rates. It will take a significant effort on the part of human resources and any employee in a position of leadership to implement the strategies previously outlined. The cost of hiring may increase initially; yet, in the long-run it will save companies a significant amount of resources that would have been lost due to hiring the wrong person. The fine tuning of the interview process, whether it be by asking the right questions or providing interviewers with the tools necessary to avoid being swayed by a candidate, will go a long way in ensuring the right hire. The skills and abilities necessary for a given position can be more efficiently evaluated or taught by the implementation of extended internships and management science in the form of assessment tools and the Q-S4 system. Combined with the refining of leadership style, this will allow for a more comfortable atmosphere for any employee and will increase the likelihood of retaining a valued employee. This strategic plan will not only decrease turnover but will increase employee morale and lead to a more cooperative and rewarding job experience for all involved. Companies will discover that by using this plan and assembling a diverse and competent staff, they will be able to reach their highest potential and will be more successful in the long run.



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