

Hiring and Retaining Good Employees; Crucial Strategies for Success

Two of the greatest challenges for any business are hiring the right people and keeping them. Employees, and more importantly their contributions are a business' most important assets. Products, pricing, location, market positioning are all elements of a successful business, but a buoyant economy, job creation numbers in six figures and a decline in unemployment makes the competition for top performers an imposing challenge to any Retailer or Supplier organization. Failure to recognize Employees' contributions can lead to dissatisfaction, high turnover rates, reduced productivity and ultimately your company's failure. So how do you go about finding, selecting and retaining the best people?

Preparation for the task of locating the right person begins with a needs analysis. Different positions require certain levels of expertise, education and qualifications. Would you for instance hire a customer in a key management position purely because of his or her experiences buying from your company? Their skills and expertise are not necessarily compatible with your needs, and deviation from a planned approach of defining "need-to-haves" and "nice-to-haves" in an individual's skill set is a short cut to failure. They would, for the same reasons, likely have little interest in being employed by your company.

Trends and Challenges

The importance of recruiting in today's business world cannot be understated. For instance, with today's emphasis on the technological aspects of ensuring merchandise flow and availability at all times to your Customer, good candidates might shy away from companies they perceive to be technically behind the times. Recruiting opportunities to demonstrate this, such as the use of the Internet to review and apply for available positions online can help sway them to your company. One good example of this phenomenon is Canadian Tire (www.canadiantire.com). James Fehrenbach, Staffing Manager who was responsible for their site development as it pertained to recruiting, etc. (insert interview here)

Other options include using executive search firms, which more companies are utilizing. "Headhunters" excel at identifying and securing the gainfully employed person who often is busy slaving away for their current Employer as opposed to reading the newspaper classifieds. An executive search firm who specializes in your industry should be able to access qualified candidates from a variety of similar backgrounds. They will save you a good portion of the time involved in running an ad for instance, and screening out hundreds of replies. You will also gain the knowledge of how the competitive market is doing, who is laying off, who treats their people well, competitive salary information, etc. This service is among the most costly of options, but for specific requirements, is the most cost-effective as well. In our experience with Retailers and Vendors, the most sought-after traits and characteristics include:

- merchants at heart--this applies to both sides of the Supplier-Vendor relationship. The tops in their field have a left brain sense of urgency, with a right-brain degree of creativity. Inventory turns are paramount, as well as merchandising assortment planning and creative promotions to transform the shopper into a purchaser.
- team-based--although a much-overused phrase, the true essence of team effort is a must. Companies cannot afford to carry employees who are self-centered or introverted. There must be a thorough understanding and willingness to collaborate with other departments; no longer can Operations people blame Merchandising for foul-ups and vice-versa. The team-based concept means people are allowed, even encouraged to work across horizontal levels in an organization, while remaining focused on their own responsibilities. Behavior-based interviewing techniques, psychometric testing and thorough reference verification can bear this out in potential hires. Regarding references, try to obtain a cross section of referees from their employer, supplier and customer groups. The collected input should allow you to confirm what you believe you already know about this person.

- quantifiable achievements. It's nice for someone to say "my customers loved me". Did they buy from you? How much did sales (and more importantly, profits) increase year over year? How much were expenses reduced? Did they review their subordinates' performance again using measurable criteria? Beware of the wordsmiths who talk a good story, but are not action-based individuals.

One leading-edge service that is catching on quickly is computer-assisted telephone interviewing and screening. Ric Colbear, Principal of Compu-Skren Communications in Toronto has developed a Canadian-based product called ASIST (Automated Screening Interview Selection Technique) that many Retailers, including Home Hardware have begun to use. In Home's case, Ric began working with one dealer in hiring store-level employees in July 1996. He was so impressed with the results of ASIST at his store he arranged a meeting with a key Manager in Head Office. As a result of further employment screening efforts for a number of dealer-owned and corporate stores, the company has broadened their business at Home and have quantified performance in terms of reduced turnover rates, lower hiring costs, appropriate hires based on integrity, ethics, personality and communication skills, all so important for your front-line staff.

Retention of employees is as important as the initial hire. Take the time for a proper orientation. In Retail, this could mean spending time in every department of the company, to ensure a thorough understanding of its operations. Home Depot exemplifies this principle; Annette Verschuren, Canadian President was put throughout the entire program in her early days with Depot. Additionally, making an employee feel valued for their contribution leads to further idea generation, self-initiative, all the things that will assist you in gaining a competitive advantage. Who among us is prepared to shop in a location with unresponsive or invisible staff?

The message is don't take your current or future staff for granted. The times have changed. In the early days of Henry Ford's company when car after car was cranked out, recruiting and hiring was a simple task. Ford merely opened the Plant's doors and applicants flooded in. Those days are gone. You will find the need to use a mix of sources; to use one exclusively is a mistake you will live to regret. Hire for the future, but look at the candidate's employment record to identify what history will repeat itself. Listen to them and provide training and skills development opportunities. If you don't you'll foster the growth of Liquidation World, a Retailer in the 'closeout' and distress sale business. The company is only ten years old, and recorded record sales (\$72 million) and record profits (\$3.5 million) last year. Do you want to be their next customer?