Recruitment and Retention
Tactics to Enhance Business Development

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Business leaders across all industries routinely state that employees are their organizations’ greatest strength. However, many companies view the recruitment and retention of staff as a tactic to maintain a productive workforce instead of as a strategy to support the organization’s vision. While finding employees to perform the day-to-day tasks necessary to deliver a company’s products or services is indisputably important, approaching hiring practices as a business strategy should not be overlooked. Successful organizations recognize the value of a combined strategic and tactical approach.

Developing a Strategic Hiring Plan

Employees build strategic plans, create products, deliver services, interact with customers, develop vendor partnerships, make purchasing decisions, answer the phones, and complete a whole host of other tasks that make a business viable. The combined force of the employee team, collectively supporting the company’s vision, drives the success of an organization. Hiring and keeping the right people – those who offer skills the business needs and fit well within the company culture – can be challenging. The benefits of a strategic hiring plan are significant: reduced recruiting costs, increased employee retention, greater productivity and higher morale. In the long-term, the absence of a well-planned and thoughtful hiring strategy could potentially damage a company’s competitive edge and erode its market share.

A strategic, proactive approach to recruitment can make the difference between hiring highly talented people who strengthen a company’s existing assets, and bringing in new employees whose skills and attitudes ultimately do not align with those of the business. Being proactive starts with a clearly articulated recruitment strategy, which should include:

- An assessment of current and future staffing needs.
- A detailed description of the skills, knowledge and experience required for each job.
- A description of the desired attitude, work ethic and value system of the employee base.
- A timeline, based upon anticipated staffing needs, to guide when recruitment should occur.
- Development of key messages to communicate to candidates.

Companies considered foremost in their respective industries are backed by strategic leaders who consistently find the best and brightest employees. Businesses such as Apple and Nike are well known for the top talent on their teams; Apple’s Steve Jobs believed the company’s success was a direct result of hiring the world’s best people. More than just skills and experience, exceptional employees bring assets that support the firm’s growth and innovation, including:

- Being strong communicators who represent the business well in a variety of situations.
- Raising the bar by setting high standards for themselves.
- Building strong relationships and generating added value both internally and externally.
Aligning Recruitment with Goals

The foundation of a successful recruitment strategy is a clear understanding of the company’s short- and long-term goals; reaching such goals will depend in large part on having the requisite talent in place.

Examples of goals that will affect staffing levels include achieving organic growth, launching a new product or service, and/or opening an additional office. Some business leaders may promote or reassign existing employees to handle the work associated with these goals, and bring in new, less experienced people to fill capacity gaps. Others may need mid- or upper-level personnel to deliver the expertise and knowledge required to achieve company goals, and will look outside of their existing workforce for new talent. Keeping the firm’s business plan top-of-mind will help ensure the company has the right people in the right place at the right time.

The size of the firm almost always influences the hiring protocol itself. Large companies generally have fully staffed HR departments to manage the process, while the owner of a small business may handle hiring directly. Recognizing the need to fill a new or open position is followed by developing a description of the required qualifications. Soliciting input on these qualifications from people in the company who will work with the new employee may be an effective way to foster engagement and ownership. Three general categories of qualifications to keep in mind include:

- Skills (ability to perform required tasks)
- Knowledge (education or training)
- Experience (previous jobs or volunteer work)

These represent tangible characteristics that provide a snapshot of the candidate’s ability to carry out the required work. Correctly defining these qualifications will likely keep a business from investing time and money in candidates who don’t meet the organization’s needs.

The Importance of Fit

Intangible traits are equally important when company leaders evaluate whether a candidate will be a good match. Kevin Wheeler, president and founder of Global Learning Resources, Inc., states that finding employees who are the right fit has become increasingly important as work environments grow more collaborative and teams and project groups continue to proliferate. He has seen the issue of fit take precedence over experience or skills. Wheeler suggests that every candidate be assessed in terms of his or her fit with the company.

Evaluating a candidate’s fit can be difficult because the traits in question are usually not quantifiable. An employee’s attributes, such as their attitude, ethics, motivators and communication style, should align with the company’s core values. Wheeler believes that hiring people who are a good fit with the corporate culture directly correlates with greater innovation and less turnover.

Connecting with Talent

Once an organization’s leaders have identified the need for a new employee and articulated the desired qualifications and attributes, decisions should be made regarding how to connect with potential candidates. There are many options, including online job postings, traditional print advertising, social media, agencies and executive search firms, professional networking, internal sources, and
company career sites. Technology has changed virtually every aspect of company operations, and contacting job candidates is no exception. The Federal Communications Commission reports that today more than 80 percent of Fortune 500 companies post job openings online only.

Increasingly, businesses are tapping into social media platforms to connect with potential employees. Web news monitor Mashable reports that companies expect to use social networks to recruit more than 80 percent of open positions in 2012. Professional networks like LinkedIn offer access to more than 175 million registered users, and Facebook has expanded its product line into the business sector as well. Once considered a channel primarily to reach younger audiences, social media use by those in the 30-plus age group continues to increase. Organizations benefit from the directness, immediacy and transparency of social media recruitment, often becoming more nimble in their hiring practices.

Social media sites also offer rich opportunities to develop relationships that increase a company’s visibility within specialized talent pools. The leaders of a business operating in a niche market are wise to look beyond social media behemoths LinkedIn and Facebook to platforms that directly support their products or services. There are dozens, if not hundreds, of sites that offer organizations the chance to connect with talented people who have distinctive skills. Examples include WebDental.com (for dentists), idealist.org (for nonprofits), and LegalOnRamp.com (for attorneys).

Many companies frequently use executive search firms that specialize in certain industries, work discreetly and can screen candidates based on the company’s specifications. They have extensive networks and often locate qualified candidates within days of being retained. A long-term relationship with an executive search firm can result in deep knowledge of the company’s business model and culture. Such insights enable a search firm to become a strategic partner that secures talented people with the ability to grow or reshape a company. Thorough search firms will also present candidates whose personal attributes ensure a good fit with the organization. These services enhance a company’s ability to fill an open position quickly and efficiently, and can hone the firm’s competitive edge by bringing in employees with new skills and ideas.

A company’s leaders may also rely on professional networking to generate new employee referrals. Leads that come through a networking pipeline are often especially high caliber, as they are based on personal relationships and first-hand experience. This form of recruitment is most effective when it is conducted on an ongoing basis, even when a company does not have any job openings.

Hiring Exceptional People

Smart business owners know that finding great people takes ongoing effort. They continuously look for individuals with the potential to augment the company in some way. The “search mentality” doesn’t require the existence of an actual job opening. It reflects a commitment to excellence and the belief that the company will always benefit from more ideas, talent, experience and vision.

If an industry has become increasingly competitive or a market is on the verge of saturation, a company may differentiate itself and enhance its competitive advantage by bringing on someone exceptional – a superstar performer. An organization committed to growth may also benefit from the “search mentality”
approach. It is an effective, but often understated and unstructured, hiring strategy, characterized by:

- Continual contact with people of diverse skills and experience.
- An impeccable understanding of market conditions.
- Reliable competitive intelligence.
- A reputation for innovation and business acumen.
- A willingness to take risks.

Just because a candidate offers exciting, new possibilities doesn’t mean company leaders should abandon due diligence. Even a superstar’s capabilities should be reviewed, although different metrics may be applied. These include assessing the value of the individual’s unique qualifications, such as specialized knowledge or key audience connections.

Keeping Valuable Employees

Workforce retention can be as challenging as recruiting and hiring; it is certainly just as important. Replacing employees is often an expensive proposition. The Saratoga Institute, Inc., a leading provider of human capital benchmarks, found that turnover-related costs represent more than 12 percent of pre-tax income for the average company. While a business leader might point to recruitment expenses that are significantly less than this figure, hidden costs must also be considered. These include lowered productivity, lost revenue and clients, decreased efficiency due to declining morale, and reduced credibility stemming from lost knowledge.

Hiring the right people is the first step toward maintaining a stable workforce. And while meaningful salaries and benefits are key, other highly valued job attributes should not be underestimated. Most employees stay in jobs that offer growth opportunities through the acquisition of greater knowledge, new skills and experience. The business owner who invests the time to identify an employee’s strengths and interests, and routinely collaborates to develop those qualities in ways that benefit both the company and the individual, will likely enjoy the rewards of deepened employee engagement. Engaged employees are satisfied employees, and satisfied employees aren’t looking for other jobs.

Recognizing employee potential and placing workers in jobs that are both challenging and rewarding is a win-win. Smart leaders often look for ways to match employee knowledge and expertise with company needs. Employees feel motivated when they achieve personal success, and their success contributes to the stability and health of the business.

Competitive salaries and benefits are critical components of a company’s employee retention plan. Professional associations, chambers of commerce and business organizations can provide market data on industry-specific salary scales and benefits packages; a company leader should stay abreast of standards within the applicable business category to acquire and hold on to top talent. Adaptability when it comes to benefits may also give a business an edge over its competitors. While paid time off, health insurance, retirement plans and bonuses continue to be highly valued, flexible work schedules are emerging as a benefit many employees seek in an effort to achieve work/life balance.

Conclusion

Simply stated, the right employees enable a business to excel. However, recruiting and retaining good people is not simple. Big or small, every company will benefit from a strategic approach that aligns hiring practices with the organization’s business goals. Business leaders who recognize the power of these practices to support and shape the company will be more likely to reach their goals more efficiently and effectively.
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Pacific Continental Bank maintains a strong connection to the communities where we operate. The bank empowers its employees to actively engage in fostering an environment where all community members can flourish. We endeavor to work with local nonprofit organizations and community-based businesses, ensuring more dollars stay close to home. The bank supports hundreds of nonprofit organizations in achieving their missions – both philanthropically and through direct participation.