



A Modern Hiring Formula:

Newsletter

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The Hamilton Group

Minimize negligent hiring and reduce employee turnover with

Pre-employment background checks

Pre-employment testing

Want more information on implementing a successful hiring formula?

Contact us at:
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If you have experienced the loss of a key employee recently, then you are well aware of the disruption it can cause your organization.

Think about all the costs associated with hiring a new employee: 1) Cost of recruiting 2) Cost of training 3) Cost of salaries paid to departing employees 4) Cost of extended vacant positions, which overworks existing staff 5) Cost of "under-serving" customers with fewer or below average performers. Permanent, experienced employees enhance customer service and bring more efficiency to their work.

Add this up and you quickly see hiring new employees does not come cheap. Lost productivity and employee turnover is estimated to cost one third of a new hire's annual salary. At an annual wage rate of \$30,000, turnover costs an organization \$10,000! And it has been estimated that the loss of a highly compensated employee could cost up to 1 1/2 times that individual's salary. At an annual salary of \$100,000, the turnover costs for this one employee could approach \$150,000!

Organizations that rely solely on interviews and (maybe) a quick reference check before hiring tend to fill their ranks with average employees and ultimately experience costly turnover. Why? Because interviews are very subjective, and too many marginally qualified people get through the pre-employment hiring screen.

It is likely that your organization can dramatically reduce employee turnover by improving your employee selection accuracy. Follow this repeatable hiring process for every candidate you hire:

Interview Effectively: This is easier said than done, but you must probe into work history and ask open ended questions such as "tell me about your most significant work accomplishment". Then listen. Did the candidate demonstrate their motivation for their work, competency and how it impacted their organization?

Check References: No, not a friend, or neighbor, but talk to people who can site examples of the candidate's work performance. Contact a previous boss or co-worker that can comment on the person's reliability, skills, motivation and ability to learn quickly.

Testing: Once you have narrowed your candidate list down to 2-3 finalists, move to this next step. Scientific selection is a consistent, non biased measure that accurately benchmarks the unique traits that are prominent in your existing top employees. It then compares your candidates against your benchmark of top performing employees. This extremely advanced technology is statistically sound, accurate and effective in identifying the candidate that is the best fit for the job.

Background Checks: Negligent hiring is a real threat of liability to employers today. Thorough background checks will reinforce the integrity and character you sensed in the interviews and heard from references. It also helps reduce turnover by verifying that a prospective employee has the integrity, certification, licenses, or education required by the position. Background checks can also help prevent litigation over hiring practices. This is the final step that helps you identify the best candidate before making the job offer. Know who you are hiring!

Conclusion: Poor performers can only be weeded out in two places; before hiring, or on the job. Which do you think is less disruptive to the organization and less costly? Regardless how badly you need to fill a position, never skip any of the hiring steps outlined above. Always follow this same repeatable hiring process that leverages technology to quickly identify motivation, competency and the ability to learn. As you do a more accurate job of selecting the right candidates by following the steps outlined above, you should get longer tenure and improved levels of productivity from your people. Ultimately, these hiring steps can lead to better profitability!



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AgRecruiter specializes in leadership level search. Duane Sundo was recruited as Plant Manager for Hawkeye Energy

