

HireSmart

Human Capital Solutions



“Organization doesn't really accomplish anything. Plans don't accomplish anything, either. Theories of management don't much matter. Endeavors succeed or fail because of the people involved. Only by attracting the best people will you accomplish great deeds.”

- Colin Powell

HireSmart News

- Staffing Quality Metrics
- Recruitment and Hiring Strategy
- Leadership and Management Development
- Performance Management
- Employment Trends

Staffing Quality Metrics— Staffing Scorecards

According to Watson Wyatt's Human Capital Index Study, recruiting and retention can impact a company's market value by as much as 7.9%. This study underscores how critical it is for companies to measure the performance of their recruiting and selection functions. Over the past few years, more senior managers have been demanding data about hiring statistics and recruiting effectiveness. It is well established that *people costs* usually comprise half, or more, of a company's expenses. Yet, recent HR surveys show that about 60% of companies don't track the impact of HR on their business. With the possibility of a recession looming in 2008, maybe it is time to evaluate your current staffing metrics and determine whether or not you're capturing the right

data. One of our service goals at HireSmart is to help our clients use key metrics as decision support tools to improve their management of human capital. A good place to begin is by ranking the importance of the following staffing metrics in your organization:

- risk management
- cost per hire
- recruiter effectiveness
- new hire performance
- hiring manager satisfaction
- sourcing cost-effectiveness
- new hire tenure
- offers to accept ratio
- interviews to hire ratio

- quality of hire
- time to fill

Senior Managers will expect you to use the measurements that have the highest impact on the bottom line. This requires a comprehensive staffing metrics approach. Saving \$500 by quickly hiring an unproductive employee lowers your cost per hire and time to fill ratios, but it also decreases quality of hire, new hire tenure and hiring manager satisfaction metrics. The initial cost savings is quickly eaten up by the time and expense of remedial training, management time, sub-average performance, and eventually the cost of recruiting, screening and selecting a replacement.

- continued on page 2

Inside this issue:

Staffing Scorecards	1-2
Select and Retain the Best	1-2
Automating Performance Management	3
Executive Job Growth in 2008	4
Leadership Development	4
About HireSmart	5
Special Offers (1st Quarter 2008)	5

Recruitment and Hiring Strategy – Select and Retain the Best

How do you define the Best? At HireSmart, we define the best as the top ten percent of the talent pool for any position. Since it is often difficult to find, much less hire these top ten percent, maybe its time to *Re-recruit* your best employees (your current top 10%). Making counteroffers

to employees with one foot out the door is not an effective approach to retention. Every employer wants the top 10% of the workforce. But the chances of attracting and hiring them are low. There just aren't enough of them. The most qualified candidates always have choices. Their

experience of your company's recruiting and hiring process will clearly influence their choice. Here are some of the questions your top candidates will want to be able to answer after an interview:

- continued on page 2

Select and Retain the Best (continued from page 1)



What makes your compensation plan more attractive?

- What makes your organization more attractive?
- What makes my opportunities for career growth more attractive here?
- What makes your job more attractive?
- What makes your management process more attractive?
- What makes your work environment more attractive?
- What makes your compensation plan more attractive?

Having an effective employer brand requires that you have the right answers to these questions. Your recruiters need to understand the sales and marketing implications of the hiring process and then script the right messages to attract the top talent. It helps to talk to your candidates about *"Who we are"* as an organization and about the culture of your workplace. Talk about the vision, *"Where we are going"* and the values,

"What principles guide our actions", before you engage in discussions about a specific job opportunity.

Remember that recruiting is more about Marketing and Sales and less about traditional Human Resource concerns. If Senior Managers understand that new employees are as important as new customers, they will make some time to assist with key or strategic recruiting efforts.

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Select and Retain the Best (continued from above)

Employers create competitive advantages through customized recruitment strategies!

Candidates are easily frustrated by vague job descriptions, lack of follow-up, overstating or embellishing the job, and by any omissions of key information about the position. Remember, candidates like the personal touch as well as automated, convenient, efficient hiring processes. Candidates usually evaluate career opportunities primarily by these four criteria:

- Compensation

- Location
- Growth opportunities
- Work/Life Balance

Colleges in the U.S. will graduate only 198,000 students to fill the shoes of 2 million Baby Boomers scheduled to retire beginning in 2008. Courtesy and communications are key ingredients! At a minimum, acknowledge all résumés received and follow-up with every candidate

you interview. The global war for talent will most likely be won by the organizations that recognize that candidates under 35 grew up with computers and videogames. These candidates have different expectations and different ways of working. They have different goals and they think differently about their careers. It is a competitive advantage to talk in their language not just the "status quo".

Staffing Scorecards (continued from page 1)



Staffing Metrics give you the leverage you need for continuous improvement!

Incentives that reward recruiters for speed encourage them to spend less time investigating a candidate's qualifications. Incentives that reward recruiters for keeping costs low often discourage the use of objective assessment tools that offer proven methods of identifying high performers. We define *quality of hire* as "a new hire's

sustained performance". Sustained performance includes meeting or exceeding performance standards, manager expectations and longer than average tenure. Scorecards that reward recruiters for speed and cost savings without measuring quality of hire are often counterproductive. Choosing the wrong scorecard or monitoring too

few metrics may inadvertently reward behaviors that ultimately cost the organization more dollars in the long term, lowering the company's bottom-line.

Performance Management – Automating Performance Management

More managers are beginning to understand the importance of having a strong performance management system. Managers find they are able to motivate and retain top performers more easily. They can also align the individuals' goals with those of the organization more easily. Managers are better able engage the workforce, enhance productivity and ultimately improve their bottom line.

A growing number of small and mid-sized businesses are automating their performance

management process. An automated system can ensure that your organization's performance management is using best practices, resulting in: better employee participation, improved operations efficiently, and more consistency to the entire performance review process.

Our recommended technology for small and mid-sized businesses that want to automate their performance management process in 2008 is **Success Factors**. They identify nine benefits a company can realize by automating their

performance management process:

1. Implement Performance Management Best Practices More Easily
2. Increase Goal Visibility and Boost Shared Accountability
3. Gain Powerful Insights by Using Collected Data More Effectively
4. Ensure Compliance

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Automate your performance management process in 2008!

5. Eliminate Paperwork Hassles
6. Improve Feedback Quality and Strengthen Management Skills
7. Save Time
8. Gather Feedback That's More Honest, Objective and Open
9. Improve Your Bottom Line

Success Factor's Examples of Best Practices

1. Develop SMART goals for all employees
2. Align individual goals with corporate objectives
3. Include an employee self-evaluation in the review process
4. Use an iterative review process to allow the manager

and employee to participate equally in the review

5. Employ both weighting and rating of goals to provide meaningful visibility
6. Provide an overall rating (a weighted average of ratings against multiple goals) to make the results credible to employees, by eliminating subjective human bias

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7. Use anonymous 360 feedback to foster a culture of empowerment and accountability, while boosting the organization's overall performance

Performance
Management
improves
talent
retention!



Monitoring performance displays human assets and liabilities.

Employment Trends— Executive Job Growth in 2008

A recent survey of Executive Search consultants shows that corporate demand for business development and sales executives will see the greatest growth in senior-management hiring between now and the end of the third quarter of 2008. An Execu-Net survey of 114 executive recruiters found they also anticipate significant growth in demand for business leaders with extensive experience in Quality, Supply Chain/Logistics and related operations management roles. The demand for executive talent in operations positions is

likely driven by the globalization of corporate manufacturing facilities and the increasing dispersion of workforces across a number of industrialized and emerging regional markets.

The entire job market may be severely impacted by an economic recession in 2008. Merrill Lynch Chief Economist David Rosenberg has suggested a 100% probability of a recession in 2008. Alan Greenspan suggested that a recession was about a 50% probability three weeks ago on the George Stephanopou-

los show.

Expected Executive Job Growth in 2008 by Category

- Business Development (15%)
- Sales (15%)
- Operations Mgmt (11%)
- Marketing (10%)
- Engineering (10%)
- Finance (9%)
- General Mgmt (9%)
- Info. Tech (7%)
- Research & Dev. (6%)
- Human Resources (4%)
- Consulting (4%)



Business development and sales executives will be in demand in 2008!

Leadership Development— The Self-Development Solution

A variety of customizable training resources are now available for individuals who need leadership development in one or more areas. Our HRD Press library now includes: 20 one page coaching handouts, 32 pocket guides and 35 skill builders for training supports. The following online leadership development assessments are used to identify the leadership competencies needing development:

- | | |
|--|-------------------------------------|
| 1. Coaching Effectiveness Profile | 6. Emotional Intelligence Profile |
| 2. Communication Effectiveness Profile | 7. Leadership Effectiveness Profile |
| 3. Creativity and Innovation Profile | 8. Learning Styles Questionnaire |
| 4. Customer Service Commitment Profile | 9. Listening Effectiveness Profile |

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Succession Planning and Leadership Development are needed to replace the managers among the 2,000,000 Baby Boomers who will retire this year.

- 10. Management Effectiveness Profile
- 11. Negotiating Style Questionnaire
- 12. Personal Stress and Well-Being Assessment
- 13. Problem Solving and Decision Making Profile
- 14. Sales Effectiveness Profile

- 15. Teambuilding Effectiveness
- 16. Time Management Effectiveness Profile

If you are looking for turn-key training solutions in 2008 [contact us](#) today for detailed descriptions and samples of the HRD Leadership Self-Development Solutions.



How will you identify and train your future leaders?



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About HireSmart

HireSmart is a human capital management firm that provides consultation and outsourcing for strategic recruiting, talent assessment, selection, development and performance management. We help businesses increase productivity per hire, reduce turnover and improve performance. Our mission is to help our clients maximize their Return on Investment in human capital. We help managers lower the costs and risks associated with unproductive hiring decisions: turnover, low performance, litigation, absenteeism, sabotage, and theft.

HireSmart provides customized solutions that measure the organization's outcomes for each human capital strategy that is implemented. We help you make your staffing and training process more attractive, convenient, efficient and cost-effective. We help you design continuous improvements in your human capital strategy leading to increased profit per employee.

Special Offers (first quarter 2008)

Special Offer 1

Our first special offer (a \$300 value) for the first quarter in 2008 is a 50% reduction in Setup and Activation for the *Total Applicant Processing System* (Total-APS). Call us at 480.503.2945 to request your Total-APS setup and discounts. Click [here](#) for more information about the Total-APS.

Special Offer 2

Our second special offer (a \$500 value) for the first quarter in 2008 is one free job posting in our portfolio of job boards. We will post your position in 4 different job boards. Click [here](#) to see the types of positions we were sourcing candidates for in the

fourth quarter of 2007. Call 480.503.2945 to request your free job posting.

HireSmart News is a quarterly publication that delivers essential information to keep managers up to speed on staffing quality metrics, recruitment and hiring strategy, performance management, employment trends and leadership development resources.

HireSmart News helps you leverage the talent in your organization by learning about new management tools that are available and how others are using them to reach their business goals. Effective Human Capital Management will be the largest point of differentiation for

businesses in the 21st century. More than 70 percent of Fortune 100 company CEOs now view human capital management as an essential business strategy.

Why Subscribe?

Since employee costs often approach 40 to 60 percent of corporate expenses, hiring the right person, developing, retaining and measuring their performance is essential. As we move forward into the global economy, it is clear that people are the profit lever.

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