

Recruiting For Retention

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Executive tenure in the global marketplace continues to decline, and now averages less than four years per company, according to a EUN 2009 survey¹.

As confidence returns to the market, mid-level management employees will, once again, look for opportunities they perceive as offering new challenges. That increased executive turnover comes at a big cost to companies in terms of replacement hiring, training, knowledge loss and even custom attrition.

The question is: how do companies turn the tide and improve retention? A big part of the answer lies in a rather unexpected place: the recruitment process.

Why do executives leave a company?

Sometimes, the benefits are perceived as insufficient, or it can simply be about better career opportunities. However, attrition is often a direct result of a problem with the 'fit' between an individual and the company. A new research report released by Deloitte Consulting LLP, "Keeping Your Team Intact: A Special Report on Talent Retention" reveals critical differences between what employees reported they want and what surveyed executives think employees want². The report compares the results of an August 2009 survey of employees at large enterprises around the world with a May 2009 survey of international corporate leaders.

The report states: 'The disparities in the findings suggest many companies should assess the turnover intentions of their key employees and revise the retention tactics they employ to keep top talent.'

One important retention tactic is the development of a recruitment methodology that ensures the best possible match of personal skills, experience and personal goals with the position's duties and responsibilities, and the company's culture and corporate goals.

Step 1: The Job Description

The place to start re-engineering the hiring process is with the job description. Traditionally, job descriptions define duties and responsibilities, but they do little to address 'fit'. When recruiting for retention, the job description should be defined according to the needs and interests of the potential candidate, and should include the following factors.

- *Performance expectations*
Describe the specific results the candidate will be responsible for producing.
- *Team definition*
Determine with whom (or what departments) the position will interact with on a regular basis.

¹ '2009 Executive Job Market Intelligence Report'. www.execunet.com

² New York, 27 October 2009. A new research report released by Deloitte Consulting LLP, "Keeping Your Team Intact: A Special Report on Talent Retention". www.deloitte.com

- *Key challenges*
Describe the key challenges of the position.
- *Culture*
Describe the company culture and the department(s) the candidate will manage.
- *Top management*
Describe the background of the person/Board to whom the position reports and typical management style.
- *Team makeup*
Describe the makeup and backgrounds of the peer group or subordinates.
- *Growth opportunities*
Outline the opportunities for learning and advancement from this position over the next three to five years.
- *Location*
Describe the community where the position is based. Provide cost of living and cost of housing data for the local area.
- *Initial goals.*
Define specific, measurable objectives for the first six to 18 months on the job.

Desired traits.

Develop a list of the personality traits the ideal candidate should possess. Before releasing the position description, get additional input from key people in your company who may be impacted by the new employee. These people can include C-level staff, managers, subordinates, and internal or external customers. Ask these individuals to provide their view of what's needed for the position in terms of day-to-day activities, departmental functions, and also their expectations of how the new hire will perform.

Step 2: Sourcing

Once the position is defined and the objectives clearly spelled out, you can release the position description. This includes internal and external recruitment marketing such as: internal postings, job board-related industries, classified advertising, job fairs and external recruiters. When writing ads and job postings, be sure to include sufficient detail to make the position appeal to your ideal candidates.

Step 3: Resume Screening

As the resumes come in, they should be screened against the position description. Some companies score resumes by comparing skills, experience, education and job responsibilities against the requirements outlined in the position description. Once a few top candidates are selected, based on an evaluation of their resumes, you are ready for telephone and in-person interviews.

Step 4: The Behavior-Based Interview

In hiring for retention, most companies need to make significant changes in the interview process. The traditional interview, which is mainly a resume interview, is insufficient. Ideally, interviews should be conducted using a behavioral-based methodology. This type of interview is designed to provide information about how a candidate will act in relevant situations. Using behavioral

interviewing, all candidates are asked the same questions, with the results scored for an objective comparison.

This process allows you to determine the candidate whose behavior best fits the position and the company's culture. In a behavioral interview, questions should elicit information about the candidate's past behaviors and experiences. The goal is to get past those individuals who 'know how to give the answers you want to hear', and determine if the candidate has actually demonstrated the kinds of on-the-job behavior you want to see. Behavioral interview questions commonly start with phrases such as:

Tell me about a time when you...?
In your last position, how did you...?
What do you do when...?
Where did you...?
Give me an example of...

Behavioral interviewing works because candidates have to provide specific examples of their past behaviors – and past behavior is the best predictor of future action. Also, by providing a structured interview format, this process ensures consistency, makes interviews easier to conduct, and helps eliminate bias. Behavioral interviewing also helps ensure the people you hire think and act in a manner consistent with the company's culture. As an added benefit, behavioral hiring gives candidates a much better idea of what the job will really entail, allowing them to determine whether your company will be the right fit.

Step 5: Validation

In performing 2.6 million background checks, ADP found that 44% of applicants lied about their work history, 41% lied about their education, and 23% falsified credentials or licenses. Before extending an offer of employment, be sure to validate the information obtained from the resume and the interview process.

The following tools can be extremely useful.

Reference checks

Always conduct 360° references. Include not only former managers, but also former co-workers, subordinates and customers for a more balanced review of the candidate. As in the behavioral interview, you should ask referees about the candidate's past performance and on-the-job behaviors. This allows the referee to avoid sharing personal opinions and focuses on the candidate's true past actions.

Background and security checks

These checks are a must, as they will help validate a potential candidate's character.

Assessment testing

The best way to validate the behavioral interview is through assessment testing. These assessments, typically administered by professional industrial psychologists, provide a more detailed picture of the candidate's personality traits and work methods.

Taking the first step

Re-engineering your recruitment process is the first, and most critical, part of improving retention. It is critical to make certain that both the company and the potential employee understand each other's priorities.

Jeff Schwartz, Principal, Deloitte Consulting LLP, and Deloitte Touche Tohmatsu Global Leader, Organization and Change, says: "We believe leaders can minimize the disparity by first understanding what their employees really want and then realigning their retention strategies and tactics to match employee priorities. Those that succeed will be more likely to retain their high-potential employees and hit the ground running as the economy recovers."³

By redesigning your process, you ensure the candidates you hire have the skills and experience to do the job, and the right attitude to succeed in your corporate environment. By matching individual and corporate goals and expectations at the recruitment stage, your company can retain more of those essential mid-level management employees.

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³ New York, 27 October 2009. A new research report released by Deloitte Consulting LLP, "Keeping Your Team Intact: A Special Report on Talent Retention". www.deloitte.com