

# Recruiting and Retention

A Strategy Guide for Managers

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# Overview

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## Overview

- ◆ Definitions and Issues
- ◆ Background and Root Causes
- ◆ Recruitment Strategies
  - Examples
- ◆ Retention Strategies
  - Examples
- ◆ Summary of Results
- ◆ Lessons Learned

The time, costs, and effort that managers put into recruiting talented employees can be a full time position. In order to make this effort effective managers need to understand industry issues with recruiting and retention. In understanding the causes and problems associated with recruiting and retaining employees, the member can then develop strategies designed to decrease the costs incurred by so many IT businesses. By actively practicing the strategies illustrated in this booklet, the manager can successful decrease turnover rate to below their industry standard. In essence, they will be able to increase the profit margin by maintaining a consistent workforce.

# I. The Issue

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## Definitions



### Definitions

- ◆ Recruiting: Increasing the number of or securing the services of an employee
- ◆ Value Proposition
  - Who, What, Where, When, Why
- ◆ Retention: process of keeping “in one's pay or service”
  - Maintain an economically feasible alignment between employers' goals with employees
- ◆ Recruiting and retention is the challenge of many managers

According to Merriam-Webster, recruiting is the process “to increase or maintain the number of . . . [or] to secure the services of” (Merriam-Webster Online, 2003). The goal of recruiting in the IT field is to secure the services of an employee. There is an appropriate value proposition of a job that enables a person to be recruited. The value proposition of a job position is categorized as Five W's – 'Who', 'What', 'Where', 'When' and 'Why.' The most challenging part of the equation is the 'Why'.

The 'Who' describes who you are as a company, including the types of products or services that you sell, who your clients are, and your positioning in the market. The 'What' describes the job itself – normally starting with an encompassing scope statement describing the objective of the job, followed by a list of tasks that breaks down the objective. It also indicates the structure of the organization, including the level of the position and reporting relationships. The background requirements are also contained in the 'What', giving the would-be applicant the

information they need to decide whether they possess the basic qualifications. The 'Where' and 'When' are the easiest. Where the job is located may be fixed, but if flexible working arrangements are a possibility, this is a strong selling point that needs to be presented. If the location of work is particularly appealing, here is your chance to talk it up. In terms of 'When', more often than not the timing is now, or even better, yesterday! The 'Why' is the most complex and the least obvious part of the value proposition, which this paper will address. REFERENCE

According to Merriam-Webster, retention is the process of keeping “in one's pay or service” (Merriam-Webster Online, 2003). Retention of employees is the art of maintaining an economically feasible alignment between an employer's goals and objectives with that of their employees.

The issue is that recruiting and retention is the challenge of many managers. The costs of recruiting and retention, both tangible and intangible, the processes utilized within corporations and the reasons why employees leave can cause dismay for the uneducated manager.

There are some identifiable problems in the field of recruiting and retention – poor untrained recruiters, poor recruiting processes, stacks of resumes to review, a haphazard interview process, no documented selection process, legal ramifications not addressed, and retention methods lacking. These are the issues that can be overcome by managers being savvy in these issues of recruiting and retention. It will allow them to successfully add to their company's bottom line.

# Managerial Issues



## Managerial Issues

- ◆ Recruiting and Retention Challenges
  - *Decreasing the time to hire*
  - *Branding the company*
  - *Pipelining talent*
  - *Applying principles of supply-chain management*
  - *Determining the fit*
  - *Finding or creating new sources of talent*
  - *Developing retention strategies*

Any recruiting and retention strategies must consider the dynamics of the IT environment. What makes the IT sector different is its highly cyclical nature. With high demand for technology professionals, it is critical that employers continue to recruit, retain, and re-train competent staff to support IT operations.

Recruiting strategies need to be created. There is a continuing explosion of technological change that forces existing staff to continually upgrade their technical skills. Additionally, as the demand for information technology professionals continues to exceed the supply, employers will face even greater retention staffing challenges. Particularly during economic downturns, employers need to have the facility to deal with large number of inquiries, as well as, storing and sorting various candidates based on their skill sets. **REFERENCE?**

Here are some specific challenges for those firms who need to be more aggressive in leveraging strategies in their recruiting and retention efforts.

- *Decreasing the time to hire.* Time moves fast in today's competitive world, and companies need to be able to act quickly if they are to snag valuable employees and put them to best use. Thanks to Internet recruiting and applicant-tracking systems, the time

between the start of a job search and acceptance of an offer is shrinking. Every company should have a job/career link from its Web page in today's market. Prescreening of candidates online and Web-based skills assessments are increasingly common.

- *Branding the company.* Many companies need to train their recruiters in sales and marketing techniques to improve their ability to "sell" prospective employees on working for the company. Moreover, job seekers increasingly look for the personal touch and appreciate opportunities to see prospective employers "up close and personal".
- *Pipelining talent.* Today, recruiters who wait until a position opens up to pursue prospective employees have started too late. Often, potential employees already know what company they want to work for before they leave school. Companies need to be forward-looking and identify talent early and to stay in touch with promising candidates.
- *Applying principles of supply-chain management.* Companies can benefit from viewing recruiting as a form of supply-chain management. Talent is the scarce resource especially in the IT field that recruiters must ration and manage; alternative sources of "supply" are critical to ensure competitiveness.
- *Determining the fit.* A good cultural fit between an employee and a company is as important as good skills fit. Companies need to expose job candidates to their workplaces and potential coworkers. Companies need to find the best way to do this through the interview process.
- *Finding or creating new sources of talent.* Companies need to rethink the costs of hiring, devising policies to recruit and retain employees, and even building small facilities where they find enclaves of talent around the globe.
- *Developing retention strategies.* Loyalty is again a fashionable attribute for employees, given the high cost of turnover and customers' desire for continuity. As a result, employers need to supplement financial incentives by fostering employees' more personal attachments to their companies. **REFERENCE**

In our current work environment, managers need to stay ahead of the game and recognize the importance of running an efficient, high-performance organization. Building such an organization depends on choosing candidates who are best-suited to your specific needs and retaining those employees. It is the manager's job to facilitate this organizational goal.

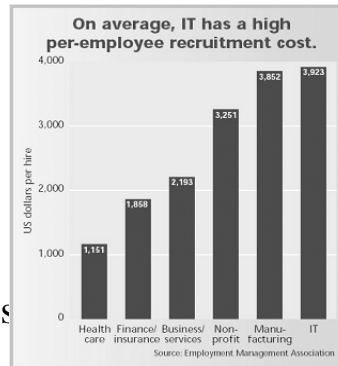
To reach the talent necessary, managers will need to aggressively identify and implement innovative, cost-effective recruiting strategies that are tailored to each group. In addition, hiring managers will need to learn more about what, in particular, will attract the talent needed. Retention of this talent is an ongoing process that also must be implemented.

## Market Statistics



### Statistics

- ◆ Costs can be linked to the loss of talented employees
- ◆ IT field has one of the highest recruitment costs
- ◆ Turnover costs vary between 50% and 150% of the departing employee's annual salary
- ◆ Costs a company one-third of the new hires annual salary to replace
- ◆ Over 90% of companies have not documented their recruiting processes



There are considerable costs, both direct and indirect, that can be linked to the loss of talented employees. Additionally, on average, the IT field has one of the highest recruitment costs (Figure 1, next page) (Goth & Blank, 1999). Depending on job level, industry, geography, etc., estimates of the cost of turnover vary between 50% and 150% of the departing employee's annual salary (ISR, n. d.). These costs include such items as administrative time, employment agency fees, training, advertising, lost time, lower morale and productivity from remaining workers, etc. According to the U.S. Department of Labor, it costs a company one-third of the new hires annual salary to replace an employee (Michaud, 2001). For an employee earning a modest \$35,000, this would be approximately \$11,670. There are many intangible costs that also need to be considered.

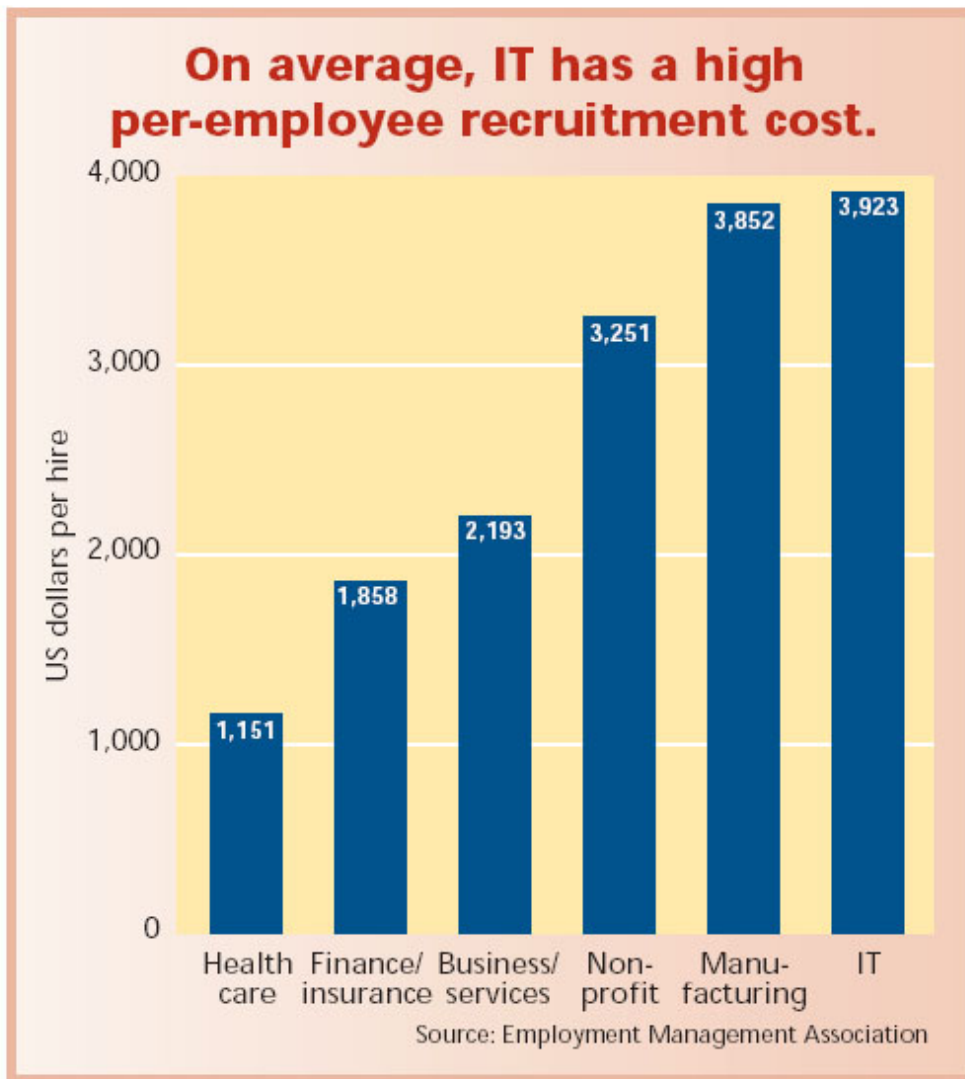


Figure 1 (Goth & Blank, 1999)

Costs is only one aspect. Over 90% of companies have not documented their recruiting processes. (DoubleStar, Inc., 2002). This allows for inefficiencies to occur within an organization.

These are just a few of the tangible reasons for managers to develop recruiting and retention strategies. Next, examining some of the background and root causes of these statistics will enlighten the manager even more.

# II. Background and Root Causes

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## Background to the Issues



### Background

- ◆ In the past loyalty to a single company for 30 years or more was commonplace
- ◆ Diminished in recent years with employees staying on a job for only 1-2 years
- ◆ What does an employee hope to gain from this type of activity? Or lose?
- ◆ Many employees not happy no matter what the company does
- ◆ Moving jobs has been easier, especially in the IT industry

The background to employee retention has its origin in the days when employees were loyal to a single company for 30 years or more. Employees would find a company that offered what they were looking for and stay there in many cases until they retired. This trend towards loyalty to a single company has diminished drastically in recent years and morphed into a new trend of employees staying on a job in many cases for only one or two years. This trend of moving from job to job in a very short amount of time brings to light questions about what an employee hopes to gain from this type of activity. The other view is what do the employees stand to lose?

Cheryl Breetwor, the former CEO for ShareData, points out that what employees should ask themselves about the job that they are leaving is “not only did you profit monetarily, but what did you learn, what did you take away from it?” (Issues in Ethics, 2001) The unfortunate fact is that many employees are not happy no matter what the company does. “There are some people, no matter what you do for them, it's never going to be enough. If they're not making \$1 million

in a year, they leave.” (Issues in Ethics, 2001) The trend of moving jobs has been easier in recent years due to the surplus of jobs, especially in the IT industry where one in every ten jobs remains empty (Ware, 2001). As IT and other industries tighten in the areas of available jobs, the employee loyalty toward companies may begin to increase again.

## Root Causes



### Root Causes

- ◆ Why do people quit companies
- ◆ Poor recruiting and selection
  - Ideal employee profile
  - Screening processes
- ◆ Does the selection process have a robust sourcing strategy?
- ◆ How effective is initial orientation and initial training?
- ◆ Weak Employee proposition

***Root Cause Behind Retention in companies: This Statement translates to “ Why do people quit companies... So as to make companies advocate a Retention policy.”***

It is important to take a holistic approach in identifying the causes of turnover. Frequently, managers say, “Let’s just pay our people more.” Higher pay will waste a lot of money, if, for example, people are leaving because they hate the work itself. Therefore, the diagnosis of causes should include the six major factors that can drive employee turnover, which are:

***Poor recruiting and selection*** (Buckingham & Coffman, 1999).

One of the most important reasons for high turnover rates is that a company is hiring the wrong employees in the first place. The following questions are important to ask about the recruiting processes:

- Has the company determined the ideal employee profile for positions experiencing high turnover? Are demographic information, employee backgrounds, skills and experience used to develop a successful profile for each job? In job families with large numbers of incumbents, it is especially easy to correlate different employee profiles to low and high turnover levels.
- How effective are screening processes at selecting people with the right employee profiles? What questions are asked, and are facts checked, to see if the candidates have the skills and personality traits that will keep them with your company?

Not long ago, I asked a manager to describe the candidate screening process in his company. He said, “We hold a mirror up to their mouths: if it fogs up, we hire them.”

***Does the selection process have a robust sourcing strategy?***

Are recruiters looking in the right places for employees (including non-traditional sources), using the right media to reach them, and utilizing the right messages to sell the job to candidates? Sometimes, turnover is caused because companies are not able to fill enough jobs, which results in a greater work burden on the people already employed, which leads to more turnover – an ugly downward spiral (Rich, 2002).

***How effective is initial orientation and initial training?***

Poor recruiting, selection and initial orientation often lead to turnover soon after employees are hired. For example, a company operations center operation had attrition rates of 40 percent during the first week of employment and 40 percent during the first month. The high turnover during the first month on the job pointed to selection and recruiting problems. One problem was that the screening process was not based on a profile of the skills and experiences that would make a successful employee. In addition, recruiters oversold the job to candidates who left soon after the unrealistic job expectations failed to materialize. Finally, the initial classroom training was minimal and covered only basic policies and procedures, as opposed to how to handle prospective customers on the phone. High levels of involuntary turnover also point to poor selection and recruiting because managers are correcting the mistakes made during the recruiting process. While some level of involuntary turnover is needed to cull out poor performers and adjust staff levels to meet workloads, a better recruiting process could have weeded out many of these poor performers (Rich, 2002).

***What is the Employee Value Proposition?***

A weak ***employee value proposition*** answers the employee’s question, “What’s in it for me to work here?” An extensive body of research, including Sibson’s annual *Rewards of Work* survey of nearly 2,500 U.S. and Canadian employees, shows that the value an employee attaches to working with an organization is a function of this question. If a company ignores the answer to the factors that employee’s value, it will lose its most talented people (Rich, 2002).

***Are employees looking for things that the company cannot provide?***

In some situations the reason for employee turnover is the fact that employees are looking for things that the company simply cannot offer them. Cheryl Breetwor points out that she ran a company for 16 years that had trouble recruiting or retaining some employees because they were interested in a company with the promise of an initial public offering (Issues in Ethics, 2001). This is a situation involving something that the company cannot easily change for the purposes of recruiting or retaining employees.

***Does management understand the drivers that cause employees to leave the company?***

A recent survey conducted by ISR of over 75,000 employees and 22 companies from variety of industries analyzed employees reasoning for "intent to leave". They utilized Key Driver Analysis using factor analysis and linear regression to determine which survey items served as the best predictors of retention outcomes. They discovered that there were 58 drivers of employee's intent to leave that broke down into ten specific areas as depicted in Figure 1 (ISR, n. d.).

**Key Drivers for " Intent To Leave"**

<b>Categories of Drivers</b>	<b>Number of Drivers</b>
Recognition & Rewards	11
Individual Development	9
Career Advancement	9
Empowerment	7
Management Leadership	6
Respect for Employees	4
Retained Talented Employees	4
Supervisor	4

Figure 1 (ISR, n. d.)

When factoring in the relative importance of each key driver in predicting intent to leave, prioritizing the drivers in terms of relative ability to explained variances in the employee's responses to the intent to leave. A relative ordering of drivers in importance was developed as depicted in Figure 2 (ISR, n. d.).

**Ordering of Drivers by Relative Importance**

Category	Top	Second	Third	Fourth/Fifth
Individual Development	8	1		
Career Advancement	4	2	2	1
Recognition & Rewards	1	3	4	3
Empowerment		2	3	2
Retaining Top Talent		4		
Respect for Employees		3	1	
Supervisor			3	1
Management/Leadership	1		2	3

Figure 2 (ISR, n. d.).

Easily recognized when examining the above table is the fact that Individual Development, or the lack thereof, is the most important key driver of turnover. Career Advancement and Recognition & Rewards came in a fairly distant second and third. We will examine some specific tactics in these areas that managers may use to ensure that they do not become victims to employee turnover in the section entitled Retention Strategies.

Understanding the root causes and reasons why personnel leave within your industry will help managers gage their company performance and foresee potential problems. These potential problems can be remedied using both recruiting and retention strategies.

# III. Recruitment Strategies

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## Recruitment Processes



## Recruitment Strategies

- ◆ Recruitment Processes
  - Select Top-Notch Recruiters
  - Attract the Best Candidates
  - Use Reliable Selection Methodologies
  - Establish Selection Processes
  - Establish Guidelines for a Model Interview
  - Monitor the Recruitment Process

Organizations must always have successful recruiting and hiring strategies in place to stay ahead of the game. DoubleStar (2002) states that great hiring begins and ends with great hiring practices and well-trained recruiters. Thus, after determining the vacancies in an IT organization, it is important to develop a method for recruiting qualified candidates. During the recruitment process, it is important to attract the best candidates by using the best methodologies available. When establishing the processes of recruitment, the following should occur in order.

1. Determine who will serve as recruiters in the organization
2. Establish a method for attracting the best candidates
3. Use reliable selection methodologies based on open IT positions
4. Establish Selection Processes
5. Set guidelines for a model interview
6. Select interviewers based on IT positions being represented
7. Ensure interviewers are properly qualified and are using model interview guidelines
8. Monitor the full recruitment process and perform follow-up

### ***Select Top-Notch Recruiters***

The first step of the recruitment process is selection of top-notch recruiters. According to Sullivan (1999), managers need to do all recruiting; managers and team-leaders play a major role in the success of the business; they are decision-makers and when they are outside the firm, they serve as “ambassadors” for the firm. Managers are typically the ones in IT companies who usually represent the company to the customers, clients, and partners through either marketing, sales, proposals, presentations and such. Furthermore, the “manager's role also requires them to be on the leading edge of knowledge and business practice” (Sullivan, 1999), which is even more reason for the managers to serve as recruiters. With this in mind, it is also important to note whom best to conduct the model interview than someone such as the manager, who has direct experience and expertise in the field and/or position being filled. Conclusively, “the best should be used to recruit the best” (DoubleStar, 2002) when it comes to filling IT positions.

In the armed forces, only the top 10% of performers are asked to join the recruiting team. Why? Because their research shows the best, current performers recruit the best future performers. Moreover, other research consistently shows the best workers want to work for the best leaders. It is great practice to have your best talent fully engaged in recruiting new talent.

While the Web will help you find candidates faster and cheaper, it will not help you improve your success at evaluating or recruiting and hiring talent. To do that, improve your practices, processes, and people (DoubleStar, 2002).

### ***Attract the Best Candidates***

The next important process of recruitment is to establish a method for attracting the best candidates. There are several ways to attract IT job applicants, but only a few successful recruiting methodologies attract the best candidates. When determining marketing processing for attracting the best applicants in the IT market, it is important to vary from traditional methods of recruitment and advertising and focus on new competitive-edge, technologically advanced marketing methods.

“The Web has given birth to new recruiting media and tools that make some aspects of the recruiting process faster and less expensive” (DoubleStar, 2002). Some of the growing recruiting media and tools are electronic job boards and Web-based applicant management

systems. “Job boards have effectively improved upon the help wanted classified ad model for job advertising and application” (DoubleStar, 2002).

Furthermore, “some of the Web-based applicant management systems bring speed and process efficiency to previously slow and manually burdened hiring operations” (DoubleStar, 2002), which included searching through countless amounts of paper resumes in search of keywords that match the open positions requirements. In general, “every growing company needs to subscribe to one or two job boards” (DoubleStar, 2002), and if funds permit establish a web-based applicant management system, which in the long run the benefits will outweigh the initial costs.

### ***Use Reliable Selection Methodologies***

The third suggested recruiting step includes reliable and efficient selection of candidates. One proven methodology for effective recruiting selection is investing in electronic recruiting (e-recruiting) software. According to Emery (2001), e-recruiting software is a collaborative, real-time process. E-recruiting streamlines candidate searches which leads to much cheaper recruiting methods than traditional methods, “such as recruiting agencies that charge 20 percent to 30 percent of the candidate’s starting salary” (Emery, 2001) to find qualified candidates. E-recruiting saves a corporation money, time and resources, since all applying candidates’ resumes go into a database for categorizing, matching to multiple openings, followed up by e-mails to the appropriate hiring managers.

Similar to e-recruiting software, applicant-tracking software is another proven method for selecting the best candidates for open job positions. Applicant-tracking software offers complete talent management at your fingertips (Artemis, 2002). Furthermore, most systems are scalable to meet any given corporation’s needs to allow managers to post jobs, track relationships with notes, and e-mails as follow-ups (Artemis, 2002). With applicant-tracking software organizations are able to free up personnel resources for other company-oriented tasks, while possessing the ability to reach out and identify prospective candidates with minimal effort (Artemis, 2002).

### ***Establish Selection Processes***

After successfully attracting qualified job candidates and using reliable selection methodologies, a choice will need to be made to determine who to hire. Unfortunately, often the people that process the applications, answer applicants’ phone calls, set up interviews, perform

the interview and provide feedback to the applicants are highly likely to be complete novices. In addition, whoever performed the selection process before is gone or not credible for advice and guidance (Serva et al, 1998). Furthermore, the relationship between IT and Human Resources (HR) may not be harmonious (Agarwal & Ferratt, 2002).

To overcome these problems with the selection process, successful IT leaders are working hard at bridging the differences between IT and HR. A “best in class” approach of successful organizations is to create a dedicated IT HR person responsible for assisting with the hiring of IT personnel (Agarwal & Ferratt, 2002). This individual can bridge the differences between IT and HR and can be a knowledgeable and credible source to assist with the recruitment and selection process.

The steps that are undertaken during the selection process will vary from organization to organization. Generally the selection process follows the course of narrowing down the applications, interviewing the remaining applicants, narrowing the applicants further, checking references, performing a background check, testing, making a job offer, and negotiating compensation. Steps may be repeated to gather additional information or omitted from the process.

Some ideas and processes should be universal for the selection process, regardless of organization or the exact steps used during the selection process. The selection process that will be used should be clearly defined, understood, communicated and conform to the parameters of the organization. Care should be taken to inform others involved in the process of their duties and responsibilities. Understanding the process that will be used and the process parameters of the organization are important to avoid problems, such as making a job offer only to discover that proper recruitment or a background check was not performed, as the organization requires.

All documentation on the selection process should be maintained, including reasons for non-selection. This information can be used to support the hiring decision in case a non-selected candidate challenges the decision and/or a selected candidate makes claims that the details of employment were incorrectly presented. All interviewers should have and follow an interview script/worksheet that is used during interviews. Notes on the interview and personal observations of the candidates should be recorded (Dudek, 1997). References should be checked to ensure the candidates’ work histories are correct. If a background check is performed, only items that are pertinent to the position should be reviewed and considered. Gathering additional

information may unduly influence the selection process. If testing is to be used in the selection process, determine why testing is needed. Testing should be limited to skills such as technological knowledge or problem solving. Make sure that the test is appropriate and validate the test before administering it to candidates.

Throughout the selection process, the organization should be “sold” to job candidates. An effort should be made to “articulate and communicate the IT organization’s overall vision, culture, and values to prospective hires” (Agarwal & Ferratt, 2002). The only way this can successfully be achieved is with the good interpersonal and management skills of those involved in this process. Candidates should be presented with significant competitive differentiation elements that the organization possesses such as exploiting the overall visibility and reputation of the larger organizations, using market data to peg compensation, and offering the opportunity to work with state-of-the-art technologies (Agarwal & Ferratt, 2002). Recruitment and Retention Strategic Star (figure 2, next page) lists various other items that can be communicated to the candidates to sell the organization to the candidate.

When selecting candidates, there is a need that they possess both technology and business skills. IT professionals whose major activities focus on successfully applying IT to business problems will require a stronger set of business knowledge and skills. Those whose major focus is the development and integration of the technological infrastructure will require a stronger set of technical skills (Agarwal & Ferratt, 1998).

IT professionals responsible for managing people and projects should possess interpersonal and management skills (Agarwal & Ferratt, 1998). Furthermore, skills such as communication, teamwork, and the ability to understand technological trends and learn new technologies are critical attributes of IT professionals (Agarwal & Ferratt, 2002); the selection process should attempt to find candidates who best possess these skills and will best fill the position.

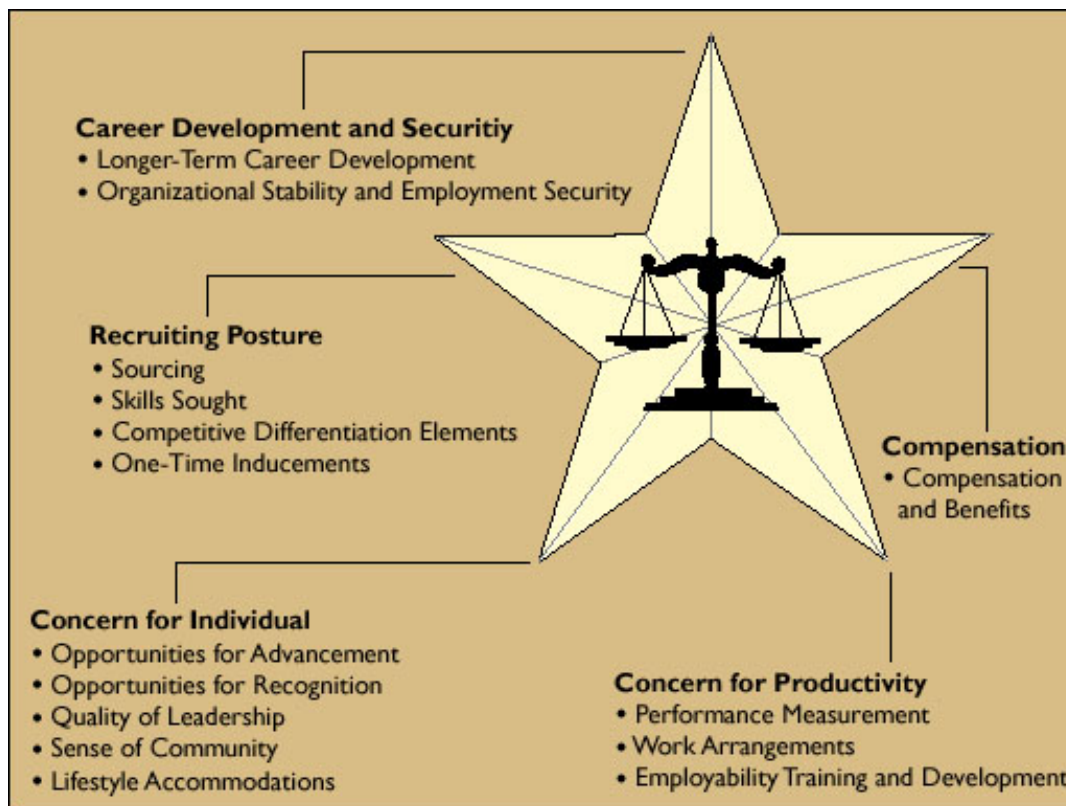


Figure 2 – Recruitment and Retention Strategic Star (Agarwal & Ferratt, 2002)

A successful selection process will bridge the differences between the IT and HR departments allowing each to meet their individual goals in candidate recruitment. The process selected should be a clear roadmap for all of those involved to avoid inconsistencies and confusion. Each step of the process should conform to the core ideas and philosophies that the organization has agreed upon and chosen. Documentation of every aspect of the selection process is integral to its success. In addition, care should be taken not to add more steps than necessary to select qualified candidates. Throughout the selection process, while implementing all of these concepts, it is important to make the candidate desire to be a part of the organization. Furthermore, the final candidate pool should be comprised of only individuals who possess technology skills coupled with business skills. If these basic concepts are applied to the selection process, the chance that the candidate selected for the position will be a successful employee in the organization greatly increases.

#### ***Establish Guidelines for a Model Interview***

Establishing guidelines for a model interview is the fifth step in the recruiting process which ties in with the selection process. To establish guidelines for a model interview, it is first

important to make sure interviewers are selected based on the position being filled. Having an interviewer who possesses hands-on knowledge about the position being filled is of the utmost importance. Hence, similar to selection of the recruiter, it is usually the role of the proposed hiring managers to perform interviews.

Furthermore, “making managers recruit and perform interviews improve the quality of their decision-making; managers can stay in touch and on the edge of knowledge in a variety of ways but one of the best is to keep them current by making them go out and do their own recruiting” (Sullivan, 1999), followed up by conducting their own interviews! Lastly, when using direct hiring managers as interviewers, candidates are able to receive direct contact and interaction with their possible future supervisors, thus providing them with some insight into conformity of their personality with their potential supervisors’ personalities.

When choosing managers to perform both recruiting and interviewing it is important to remember the following: “managers can't do it alone” (Sullivan, 1999). Managers should be effectively prepared for both recruiting and interviewing efforts. In order for interviewing managers to be the most effective, they must have and utilize a standard set of tools and guidelines for establishing the model interview. Such tools should provide critical behavioral interviewing monitoring techniques and teach interviewers how to assess the technical skills and abilities of an interviewing candidate (Young, 2002).

“The way you (and others at your firm) represent your firm and handle the interaction with the candidate throughout the entire employment process will greatly affect the candidate’s decision when determining whether or not to accept a position. The whole procedure should be conducted in a smooth flowing professional manner” (*Client Interviewing Tips*, n. d.). Some simple guidelines that should be followed to create the model interview are:

- Do not accept phone calls or allow any other interruptions during the interview.
- Know the specific reason(s) causing candidates to want to change jobs, and make sure to explain how coming to work for you will correct the problem(s).
- Be enthusiastic and sell the opportunity at all times.
- Answer all questions in an honest, open, straightforward manner.
- Be time sensitive during all of the dealings with the candidate especially when telling a candidate something will be done by a certain date.

- Any written material about the firm, benefits, and location should be given to the candidate.
- Be prepared for the interview by having any relevant information easily available, i.e. business cards, questions, candidate's resume, etc.
- Increase ratio of interviews to hires (*Client Interviewing Tips*, n. d.).

### ***Monitor the Recruitment Process***

The last and final recommended step of the recruitment process are effective monitoring and documenting of the full recruiting process. Keep in mind that “on average, IT has a high per employee recruitment cost” (Goth & Blank, 1999). Although the IT employee pool may be large, “the knowledge base is infinitesimal, and the experience set, superficial” in many cases (Reisman, 1999).

Over 90% of companies have not documented their recruiting processes. Often, companies have as many different hiring processes as they have hiring managers. Furthermore, most hiring is delegated to first line managers. These are, by definition, the least experienced leaders and the most likely to make mistakes in the difficult process of assessing and hiring talent.

Creating a documented, replicable, and measurable recruiting process is a fundamental requirement for establishing company-wide recruiting practices that can be improved with each hiring transaction (DoubleStar, Inc., 2002).

Documentation is part of any successful process in order to ensure it is repeated and revised according to lessons learned during the process implementation. Not doing so, would invalidate the process as a whole.

## Addressing Hiring Laws



### Recruitment Strategies

- ◆ Addressing Hiring Laws
  - Job Advertising
  - Application & Interviews
  - Background Check
  - Testing
  - Legal rules for young workers and foreign workers

#### ***Addressing Hiring Laws***

During the hiring process, illegal discrimination must be avoided, the applicant's privacy rights respected, legal rules for hiring foreign and young workers followed, and promises that cannot be kept should not be made. There are a variety of local, state and federal laws that govern what you can and cannot do during all phases of the hiring process, which includes advertising, interviewing, investigating, testing and selecting new employees (*Hiring Employees FAQ*, 2003). There are at least six federal laws as summarized in Table 1 (next page) that need to be followed throughout the hiring process concerning illegal discrimination alone.

<b>Law</b>	<b>Applies to employers with at least x employees</b>	<b>Protects against discrimination based upon</b>
Civil Rights Act of 1964, Title VII	15	race, color, gender, national origin, and religion
Equal Employment Opportunity Commission Age Discrimination in Employment Act of 1967	20	upon age against people who are age 40 or older
Americans with Disabilities Act of 1990	15	disabilities, the perception of disabilities, or association with people with disabilities
Immigration Reform and Control Act of 1986	4	national origin or citizenship
U.S. Bankruptcy Code – Section 525	All	bankruptcy history or bankruptcy claim filing status
Civil Rights Act of 1966	1 or hires another person to perform any kind of work or services	race or color

Table 1 – Federal hiring laws (*Major Laws Impacting the Hiring Process*, 2002)

### ***Job Advertising***

There are basic steps that can be followed for successful conformance with the various and numerous local, state and federal laws. Open positions should be advertised, even for private employers that are not required to so. Advertising open positions may increase the number of job candidates, may result in a higher qualified candidate being found, and will also assist in avoiding unintentional discrimination. Unintentional discrimination may occur if new employees are hired based solely on referrals from current employees (*Hiring Employees FAQ*, 2003). In this scenario, it is possible that only individuals of one race, color, gender, national origin, and religion are hired, even though this is not intended.

Position requirements that may be considered discriminatory should also be included in the advertisement. For example, if the position requires work on Saturday, when individuals of some faiths may not be able to work, it is better to state the requirement in the advertisement. This may help avoid the perception of discrimination if the requirement is specified to the job candidates later in the hiring process. Make sure the requirements specified are accurate. If there is some flexibility with the requirements for qualified candidates, state so in the

advertisement. For example, if the work schedule could be adjusted so that a candidate did not need to work on Saturday, include this in the advertisement.

### ***Application & Interviews***

Care should also be taken on the application and during the interview to ensure that illegal discrimination is avoided and that privacy rights are respected.

The Equal Employment Opportunity Commission (EEOC) has suggested that an employer consider the following three questions in deciding whether to include a particular question on an employment application or a job interview: (1) Does this question tend to have a disproportionate effect in screening out minorities or females? (2) Is this information necessary to judge this individual's competence for performance of this particular job? (3) Are there alternative non-discriminatory ways to secure necessary information? (*Hiring Employees FAQ*, 2003)

By applying these three rules, it is possible to gather information on a candidate without illegally discriminating or infringing on their privacy rights. For example, rather than asking a candidate if they are married, which may illegally discriminate and infringe on their privacy, ask the candidate if they are married to anyone currently employed at the organization, if nepotism is not allowed (*Hiring Employees FAQ*, 2003). Or rather than asking a candidate's age or date of birth, which may illegally discriminate, ask the candidate if they are at least the minimum age required for the job. If specific information is needed on a job candidate that may be considered private or could be perceived as discriminatory such as date of birth, wait until the employee has formally accepted a job offer to gather the information (*Employee Hiring Laws: Employment Application and Job Interview*, n. d.).

Avoid asking questions that obtain information that could be used illegally to discriminate. For example, questions that gather information in the "Protects against discrimination based upon" column of Table 1, requiring pictures of job candidates or asking for the physical attributes of candidates, should be avoided.

"Employment applications have been the focal point of discrimination lawsuits against employers" (*Employee Hiring Laws: Employment Application and Job Interview*, n. d.). Make sure your application does not discriminate. Periodically review the application to ensure that it does not discriminate and/or infringe on privacy rights and the information on the application meets the three EEOC guidelines.

Before the interview, there should be policies that compensate employees for work that set basic compensation levels, incentive pay systems, and bonus systems (Agarwal & Ferratt, 1998). Information on the compensation policy and employee benefits should be available at the interview. Use this material to answer job candidates' questions and to avoid making promises that cannot be kept. Do not promise regular or future promotions, ensure job security, make projections of the state of the business, or exaggerate the current state of the business. Use facts and honesty. Doing otherwise can result in an employee being able to sue if the promise does not come true, based on an implied contract (*Hiring Employees FAQ*, 2003). Concentrate the interview on the tasks that the candidate will need to perform and the skills that they need to possess. In addition, questions that infringe on privacy or that illegally discriminate should not be asked of job candidates before or after an interview, as these types of questions are inappropriate at all times.

### ***Background Check***

When investigating job candidates through the use of a background check, consent from the candidate must be given and the background check should be relevant to the position. In addition, it may be necessary to have the candidate ask for school records to be provided, as educational records are confidential. A candidate will also need to provide permission for a credit report to be reviewed as part of the background check. If the candidate is eliminated from consideration based on the credit report, the candidate must be provided a copy of the report and a chance to challenge the report as specified in the Fair Credit Reporting Act (*Hiring Employees FAQ*, 2003).

To avoid infringing on privacy, a military record will only disclose name, rank, salary, duty assignments, awards and duty status. If more information is needed, the candidate will need to provide consent and a Freedom of Information Act request must be made (*Employment Background Checks*, 2000). Under limited circumstances, additional information will be provided. There are local and state laws that dictate how a criminal record can be used in hiring and they should be referred to before undertaking a background check including a criminal check. Use of Workers' Compensation records and medical information is limited; it can only be used to determine if a job candidate will be able perform the required duties (*Hiring Employees FAQ*, 2003).

## ***Testing***

There are a variety of tests, such as skills tests, aptitude tests, psychological tests, personality tests, honesty tests, medical tests and drug tests that may be administered to job candidates. Avoid aptitude, psychological, personality and honesty tests as these often can illegally discriminate or infringe on privacy rights. Medical tests may occur after a position has been offered to a candidate as a condition of employment, but a medical test must be performed on all new employees for a position or else illegal discrimination is occurring (*Hiring Employees FAQ*, 2003).

The laws concerning drug testing vary from state to state and the pertinent state law should be referred to before requiring drug testing (*Hiring Employees FAQ*, 2003). Skill tests are allowed. However, skills that are tested must be required for the job. For example, an employer cannot test for C++ skills if they will not be used.

## ***Legal rules for young workers and foreign workers***

In addition to the aforementioned hiring laws that must be followed, there are special rules concerning young workers and foreign workers hired for IT work. Generally, employees over eighteen years old can be hired without restrictions on their work hours. Sixteen and seventeen year old employees can also work without restrictions on their work hours at non-hazardous jobs. Employees younger than sixteen can work at non-hazardous jobs, but there are restrictions on the number of hours and the times they can work (*Hiring Employees FAQ*, 2003). Furthermore, there may be additional state and local laws dictating the work of young workers.

During the hiring process, nonimmigrant foreign job candidates should be treated as all other applicants. To hire a nonimmigrant foreign job candidate for a professional IT position an H-1B visa will be needed. To obtain an H-1B visa the job must be a professional position that requires, at a minimum, a bachelor's degree in the field of specialization. The H-1B visa allows individuals to stay in the US for a maximum of six years (H1B FAQ, 2003).

By following the above constraints during the hiring process, illegal discrimination can be avoided and the applicant's privacy rights respected. The employer will be complying with hiring laws, and will be better able to defend against any illegal hiring allegations. In addition, the overall recruitment process will be improved as less legal problems will arise and because future employees were treated with respect and consideration during their recruitment and selection.

# IV. Retention Strategies

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## Overview



## Retention Strategies

- ◆ Reasons to Improve Retention
- ◆ Flawed Approaches to Retention Strategy
- ◆ Employee Surveys
- ◆ Understanding the Motivation Behind Leaving
- ◆ Key Drivers

Recruitment and selection is the start of the employee and employer relationship. But retention of that new employee is just as important. Employee retention strategies ensure you keep the employees that you just worked so hard to recruit. The costs of recruitment would be lost if the retention strategies were not implemented. Remember, costs of losing an employee are high – one-third of the new hire salary.

The intangible cost of the knowledge that is lost when that employee departs is also another reason to have effective retention strategies. Often overlooked and hard to quantify is the loss of the future potential of those who leave which is normally a significant factor as they are usually the brightest or best, as these are the most desirable to other organizations. An even greater cost can be the dissemination of an organization's secrets, methods, technology, customers, etc., with the competitor that hires the employee away. As the environment becomes increasingly oriented

toward learning organizations, dependent on knowledge bases, skills, relationships, etc., this latter factor is rapidly becoming the most expensive cost of turnover (ISR, n. d.).

Some companies have implemented exit interviews to develop information for retention strategies. Unfortunately this is a reactive rather than proactive strategy. Further, they assume the exiting employee will be honest which is not necessarily the case, as he/she may not want to "burn bridges" and therefore give more acceptable answers such as compensation rather than discuss the real issues. The other problem with reactive surveys is that they do not assess the employee's state of mind that caused him to begin searching or have an interest in other employment in the first place (ISR, n. d.).

Consequently, a more proactive approach utilizing tailored employee surveys, allowing employees to remain anonymous, offer a much better method for organizations to gain information and/or opinions about their jobs, managers, organization, etc. Utilizing such a method, comparing against previous survey results and benchmarked against other organizations, gives management the information necessary to design and implement retention strategies that will stop people from leaving (ISR, n. d.).

As a result of a survey, some key drivers why employees leave an organization were developed. If the manager understands what they can do to promote or utilize these drivers, they can have create an effective methodology to keep personnel in their jobs.

## The Key Drivers



### The Key Drivers

- ◆ Individual Development
- ◆ Career Advancement
- ◆ Recognition and Rewards
- ◆ Empowerment
- ◆ Retaining Top Talent
- ◆ Respect for Employees
- ◆ Supervisor
- ◆ Management/Leadership

#### *Individual Development*

Individual development needs to be a manager's top priority to retain their employees. "Companies now recognize that employee development has affects on how employees feel towards their employers as well as their decisions to remain with a company" (Benson, 2001) Creating "employability policies" can have numerous effects on employee performance. For instance, it can create an organizational commitment, trust and loyalty to the firm and manager, and company performance and institutional expertise.

Many companies have "promised workers opportunities to keep their skills current and to learn skills to ensure they could find jobs elsewhere in the event of layoff" (Benson, 2001). For instance, at "Pentafour the attrition rate is low compared to industry standards . . . . It has to do with the opportunities that are offered to our employees and organizational climate prevailing here. Our employees are given the opportunity to learn and grow in the company itself. They are given a lot of technical training and exposure to various types of project. The challenging work makes it difficult to leave our organization" (Nelson, n. d.). The challenge, which

promotes individual development, is especially important in the IT field. Rotating projects can also promote this challenge.

Training and tuition reimbursement programs encourage individual development. Technical training is a growing trend. “Kaiser provide[s] extensive training programs that range from Microsoft and Cisco certifications to a new Web Academy for IT staff who want to learn new skills” (Watson, 2001). In the same realm of technical training also “involves virtual learning or "e-learning" as a training method. Virtual training systems are software- or Internet-based, and they enable companies to train employees in various locations or at different times with consistent methods. Such programs can streamline costs and save time as they can be implemented on short notice if needed” (Mulling, 2002). IBM has joined this venture through its IBM Global Campus (IGC), its internal education portal. It enables you to search the worldwide IBM Course catalog and enroll in e-learning or classroom courses (IBM, 2003).

Companies like 3M are expanding their training programs to include development of leadership. For instance, they maintain two programs. “Whereas the Personal Leadership Curriculum is designed for IT professionals, the Positional Leadership Initiative is designed for those in IT management positions” (Roepke, Agarwal, and Ferratt, 2000, p. 340). The reasoning that 3M gives is that “3M’s IT people recognize that the human resource vision is to provide personal development, particularly for leadership more so than technical skills” (Roepke, Agarwal, and Ferratt, 2000, p. 344).

To go a step further, “some HR departments make a point of meeting with each employee at least once every six to twelve months to formally review development plans and progress. In addition to these one-on-one planning sessions, employee development may include onsite professional association and university programs” (Burkholder, 2002). Formal development and training plans set goals for the individual that allow them concrete envisioning of their development.

In terms of development, managers need to maintain one very important view such as at Mitsubishi where they view “training as an investment in employees who will, in turn, benefit the company with improved productivity, enhanced customer service and a better bottom line” (Carbasha, 2002). Just remember that the return on investment, “particularly for job related professional development, can be quick and significant. Employee development can also impact

organizational esprit” (Burkholder, 2002). For this reason, individual development is essential in all economic conditions.

### ***Career Advancement***

This driver works in conjunction with individual development. How can an employee advance their career without training and learning? However, a career path to get to advancement is just as important. Most companies realize that “the ability to create opportunity in your own organization and allow people the ability to move [up]” is important to retention (Thibodeau, 2001). Companies like Lucent and MicroStrategy exemplify this. “*Lucent* has recognized the importance of creating a path for highly skilled technical people to advance in other ways besides going into management. The solution has been to establish two separate advancement tracks. The first track, Individual Contributors, is designed for Lucent’s discovery scientists. The second track, People Managers, is aimed at management personnel” (Best Practices, 2003). In the same regard, “MicroStrategy lets qualified employees change jobs within the company every 12 months . . . .The job-changing policy at MicroStrategy is coupled with an in-house university program that provides interested workers with "real-world training” (Thibodeau, 2001). Career advancement is important because employees want to progress.

### ***Recognition and Rewards***

Not only is a competitive salary important to retention, but also recognition for a job well done and rewards for completing such work is also critical. Employees want to be recognized for their contributions to your organization. Managers giving employees a kind word or a pat on the back can go a long way in motivational attitudes. To effectively motivate and retain, firms and managers must show they value employees. Managers must “offer the tangible intrinsic rewards that give value and meaning to the work experience” (Nelson, 2000).

Other methods of recognition include an awards system. Employers at the Ritz-Carlton give employee awards for excellence in a wide variety of areas. Fellow employees can give awards such as their Five-Star award or awards can be determined by managers as in their Hero Club award. “The idea is that managers should catch their employees doing something right” (Best Practices, 2000). Team awards can also be given to groups of individuals. Even the assignment to a hotel new start-up assignment “convey[s] a sense of pride and self-esteem that is the core of Ritz-Carlton's employee satisfaction process” (Best Practices, 2000).

One last option is a referral incentive reward. Employees can be rewarded for recruiting. “It is a known fact that employee referrals are better qualified and stay on the job longer than any other candidate source” (Zigich, 2003). When you do hire the referral, remember do not “pay new hires more than existing IT staffers who helped you achieve growth” (Roberts, n. d.).

### ***Empowerment***

The employee needs to feel a sense that they are in control of their work environment. Managers can facilitate this through options such as flexible work schedules. This is increasingly becoming a motivator for employees. In fact some employees would accept a pay cut in order to have variable work options. “According to the American Management Association, allowing flexibility improves work quality; companies with flexible scheduling options report absenteeism is cut by as much as 50 percent” (Nelson, 2000). If a manager has the ability to curb absenteeism and increase productivity using this method it is by far an excellent approach. For example at Eastern Health Systems they offer shift options. These “allow a full-time employee to work seven days and have seven days off, or work three 12-hour shifts in a week” (Putman, 2002).

Another approach is through telecommuting. This work method allows employees to work in virtual teams or collaborate online. This is sometimes referred to as a “boundaryless work arrangement that allows employees to work outside the conventional and traditional boundaries of place and hierarchy” (De Lisser, 1999) Through these options employees feel that they are “given free rein to do their jobs. You don’t have someone looking over your back” (Duvall, 2001)

### ***Retaining Top Talent***

One of the managers many duties is to retain the top employees within the organization. If a manager fails to do this, retention suffers. For instance, “a survey conducted in 2001 by McKinsey & Co. found that corporate officers seemingly are alert to the shortcomings of their companies' talent-management efforts. Among respondents, 75% say their companies are either "chronically talent-short across the board" or "suffer from insufficient talent sometimes”, and only 33% think their companies attract highly talented people. Even fewer – just 10% – believe their companies are good at retaining high performers” (Weddle, 2002). As such, the employee has to utilize the other drivers here to ensure that top talent is retained.

### ***Respect for Employees***

Respect between managers and employees is in both directions. To get respect you must give respect. Methods that managers may use to respect their employees are numerous. A few are related here. For instance, the importance of family cannot be understated. Managers must understand family commitments outside of the work place to not only include issues like day care, but also time off to take care of and be with family. One way is to ensure that vacation is not undervalued. Providing a paid sabbatical after a duration of time with the company shows you respect their contribution to the corporation. (Duvall, 2001)

Treat your employees with kindness and respect since they are an integral part of your organization. Maintain a strong business relationship to facilitate a flow of information. This creates a feeling of importance and appreciation. Managers can do this by finding a common ground with employees and build connections from there. Comment on something in their work area that can start a conversation and foster that bond (Michaud, 2001).

When complimenting employees, do it often and in public. This will build morale and demonstrates that their self-esteem is important to you. Employees that are treated this way will seek to show their appreciation by doing a job well. Not only praise, but defending your employees when necessary also shows respect. Do not berate them for making mistakes, especially in public. Treat mistakes as training expenses so that the employee will not be fearful of your wrath. This will facilitate “creativity and out-of-the-box thinking, which can greatly increase your bottom line” (Michaud, 2001).

Lastly, listen to your employees. They will gladly share their needs and issues about their job. Do not dismiss their thoughts as unimportant. Understand your employees and give them your full attention to make them important. A formal method of doing this is through employee surveys. Conduct regular and routine surveys and always provide feedback on results (Putman, 2002) “When you listen and learn your employees’ motivations and goals, you can better sell them on future concepts and projects by using their own motivations” (Michaud, 2001).

### ***Supervisor***

One of the aspects in the employee work place is the direct supervisor. “The relationship between . . . direct supervisors and workers is a key factor in employee satisfaction” (Putman, 2002). The supervisor is the gage by which employees come to know the company. Supervisors must gain their employees respect. Therefore as a manager it is important that training of

supervisors be conducted. Companies that conduct such training can enjoy a lower turnover rate. Managers should ensure that the company “uses a portion of its development budget for training supervisors and managers in “people” skills” (Putman, 2002). Requiring a minimum amount of annual training is instrumental in making this happen. Courses attended should “place a strong emphasis on improving one's leadership, supervisory and management skills through building effective workplace relationships” (Putman, 2002). This transitions the discussion into the next driver.

### ***Management/Leadership***

The lack of an effective leadership role by managers and supervisors is a reason that some employees leave an organization. Communication is one element that will foster an effective leadership role. Communication can promote the other drivers already discussed. Management must be strong and fair-minded to boost retention numbers. Leaders should actively discuss issues of employee talent in the same regard as the corporate budget.

Another part of this role is the leader must stimulate employees to do their best. They must not only promote the goals of the company, but also be able to be likable to resolve employee needs. Managers must recognize the unique skills their employees offer and their contribution to the company. Be aware of personality differences between the manager and the employee. This can have a major impact in retention. Managers must develop personal ways in which to motivate all employees (Ernsberger, 2003).

Sometimes to verify that you have effective leadership or if a problem has arisen in this arena, using 360-degree feedback surveys may be beneficial. These types of surveys involve all levels from top management to employee. This can provide an understanding of the leadership style that a manager may be using that is dissatisfying employees. This can identify problems that may be able to be corrected (Ernsberger, 2003).

Another problem with leadership is that “too often, leaders are put in positions without adequate training, support or role models . . . . Progressive organizations are doing more to build leadership capability at all levels because they understand the success of a manager/employee relationship begins with the manager” (Putman, 2002). Companies like 3M are advocating this. 3M has developed training classes related to personal leadership. It “includes eight skills identified for successfully transforming IT: initiative, emotional self-management, cooperation, customer service orientation, self-confidence, achievement

orientation, flexibility, and interpersonal understanding” (Roepke, Agarwal, and Terratt, 2000, p. 336). “At 3M IT that means encouraging leaders to serve their work groups: to be leaders that first care for their people, helping them become stronger, healthier, more autonomous, more self-reliant, and more competent; furthermore, it means balancing that caring with the needs of the company” (Roepke, Agarwal, and Terratt, 2000, p. 342).

In this leadership development, companies are recognizing that its development is integral to employee retention. “Leadership development training helps companies put strong employees on a career path for growth. By focusing on an employee's long-term success, the company shows its commitment and hopes to rebuild employee loyalty. This soft-skills training also helps managers to be aware of what their employees want and need from the company. Managers still need to be focused on profit, growth and employee productivity, but now concepts like communication skills and work-life balance are taking on more importance” (Mulling, 2002). This makes the company well rounded.

## Other Considerations



## Other Considerations

- ◆ Culture Fit
- ◆ Intangibles
- ◆ Defined Retention Strategies

### ***Culture Fit***

Other issues besides the key drivers need to be addressed. One is culture fit. It is the manager’s job to provide realistic expectations and socialize the employee into the organization

(Tri-ad, 1998). Employee fit, as has already been discussed, should be assessed during recruitment. Fit incorporates four areas: “work, work environment, manager actions, and organizational characteristics” (Beck, 2001). Managers must realize if there is a fit mismatch. This is because “the principal reason that employees choose to leave an organization is their discomfort with its culture. This happens when their preferences in terms of management style, conflict resolution, individual accountability, dress and work hours do not match the policies and norms of the organization. They come to work feeling out of sync and out of touch, and are soon on their way out the door” (Weddle, 2001).

### ***Intangibles***

Sometimes the intangible items attribute to employee retention. Items such as the opportunity to make a difference and the belief they are changing the way the industry does business are strong intangibles. (Duvall, 2001) Additionally, external factors such as “the current economic and market conditions, such as the unemployment rate, job growth, available labor pool, and other factors that are outside of the influence of the organization” are attributable to retention (Tri-ad, 1998). For instance in the current labor market, employee retention is high with unemployment. If there is intense competition for labor, organizations may offer employees incentives to leave their current organization. Even though the manager needs to be aware of these external factors, the key drivers that have been discussed are the instrumental tools that can prevent stealing of employees.

### ***Defined Retention Strategies***

“Effective retention strategies must be based on one common theme: enhancing employee performance and loyalty. A firm earns loyalty by creating a positive work environment that is stimulating and emphasizes employee growth. Today, loyalty is sustained through an organizational culture that encourages motivation, energy, and innovation, and that accommodates employees' needs and lifestyles” (Nelson, 2000). The company and manager that formally define their retention strategy that they are practicing will be more successful in lowering costs for the company. Defined retention strategies keep managers aware of what they must do on a daily basis.

## V. Summary of Results

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### Summary of Results

- ◆ *Strategy #1: Hire the Right People*
- ◆ *Strategy #2: Coach the Organization's Leadership*
- ◆ *Strategy # 3: Communicate, Communicate, Communicate*
- ◆ *Strategy # 4: Solicit and Act on Employee Input*
- ◆ *Strategy # 5: Provide Feedback Through Rewards and Recognition*

The company goal for managers is to remain competitive through recruitment and retention strategies. For sake of simplicity the following are ten powerful strategies for maintaining that competitive edge taken from the 1998 Tri-ad article *Strategies for Retaining Employees Into the 21st Century*.

#### ***Strategy #1: Hire the Right People***

Do not rely solely on interviews. They provide information to assess communication and interpersonal skills, but do little to predict how well a candidate will perform on the job, or how well a candidate will fit into your organization's culture. Include selection procedures that assess competencies and that assess a candidate's "fit" with your organization's culture.

#### ***Strategy #2: Coach the Organization's Leadership***

Today's employees, particularly professional employees, want a clear vision of the company's goals, inspiration to meet those goals, and support to help them succeed. Develop tools to help the leadership learn how to lead their workforce, rather than just manage it.

***Strategy # 3: Communicate, Communicate, Communicate***

If it is important, it is not enough to say it once. Provide important messages in many forms and at different times. Use communication to educate, influence, and form your organization's culture.

***Strategy # 4: Solicit and Act on Employee Input***

If employees are to be treated as a human resource, it is vital that the organization tap that resource. Soliciting *and acting on* employee input can not only save your organization money, but it sends a message that employees are important—a significant source of job satisfaction in today's workforce.

***Strategy # 5: Provide Feedback Through Rewards and Recognition***

Few organizations do a good job of establishing a link between job performance and rewards. Developing alternative pay systems and recognition programs, along with leadership that provides regular feedback to employees, not only motivates employees to do their best, but also helps them improve job skills that are critical to the success of the organization.



## Summary of Results

- ◆ ***Strategy # 6: Give Employees Control***
- ◆ ***Strategy # 7: Give Employees Flexibility***
- Strategy # 8: Keep Up Your End of the "New Deal"***
- Strategy # 9: Create a Culture of Ownership***
- Strategy # 10: Conduct Exit Interviews (Later)***

***Strategy # 6: Give Employees Control***

Lack of control is one of the most significant sources of job stress. Decentralizing decision making out to the most appropriate levels will not only improve customer satisfaction, but will increase employee satisfaction, and hence, retention.

***Strategy # 7: Give Employees Flexibility***

The diversity of the workforce brings with it a diversity of needs and lifestyles. Providing flexibility and options in areas such as benefits and work schedules will demonstrate that employees are valued.

***Strategy # 8: Keep Up Your End of the "New Deal"***

The "old deal", in which employees traded loyalty for lifetime employment, has been replaced by the "new deal," in which employees trade value for the chance to stay employable. Keep up your end of the new deal by providing employees with training and development opportunities so that they have current and transferable skills in the event of a layoff.

***Strategy # 9: Create a Culture of Ownership***

Having a personal stake in the organization can greatly influence motivation, performance, and retention. Develop ways of rewarding employees that allow them to share in the organization's long-term success.

***Strategy # 10: Conduct Exit Interviews (Later)***

Employees, who have given their notice to quit, enter a period of uncertainty and are more inclined to be cautious about what they say. By contacting employees you would like to have kept after they are in their new job, you are more likely to find out why they *really* left. In addition, if they are not happy in their new job, you may even be able to get them back!

## VI. Lessons Learned

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### Lessons Learned

- ◆ Managers need to develop sound and defined recruiting and retention strategies
- ◆ Having a formal IT HR strategy allows for “lower turnover and shorter recruiting cycle times” (ICEX, 1998) -- it should
  - Articulate organizational objectives
  - Capture current skill info for analysis / planning
  - Be comprehensive / forward-looking
  - Provide a holistic perspective to the organization
  - Correlate to recruiting, work environment and retention goals

Taking all of these elements into account, managers can develop sound and defined recruiting and retention strategies. “Having a formal IT human resources strategy matters. The results suggest that companies with both formal strategies and dedicated staff for IT HR have lower turnover and shorter recruiting cycle times than companies without them” (ICEX, 1998).

“What is an IT HR strategy? An effective IT HR strategy has two dimensions. First, based upon the IT group’s overall strategy, it articulates the organization’s objectives regarding key skills, and approaches for attracting and developing these skills. Second, it captures current skills information to provide the basis for analysis and planning. Specific components of an IT HR strategy might include: a forecast of future skills requirements; an assessment of current skills and capabilities; sourcing strategies for obtaining key skills; a recruiting plan; retention tactics; and development plans for technical skills, business knowledge and leadership competencies” (ICEX, 1998). The strategy should be comprehensive and forward-looking. It should provide a holistic perspective to the organization. It should correlate to the recruiting strategy, work environment practices and retention goals.

## VII. Conclusion

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### Conclusion

- ◆ A developed, documented and practiced recruiting and retention strategy is essential
- ◆ Contributions that employees make to an organization can be priceless
- ◆ Manager's mission to ensure the talented employee is not lost due to haphazard procedures
- ◆ If not accomplished efficiently, the manager could be subject to dismissal

A developed, documented and practiced recruiting and retention strategy for a manager is essential to the tools the manager must have at his/her disposal. The contributions that employees make to an organization can be priceless. It is the manager's mission to ensure that a company's most valuable commodity – the talented employee – is not lost due to haphazard procedures. If not accomplished efficiently, the manager could find himself/herself subject to dismissal.

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