

# Hiring and Retaining Employees in this Crazy Economy



**W**hen talking with business executives about the employee challenges they are facing, I hear a familiar theme: *We can't find them; They won't work for us; We have no problem finding people, but don't have a good track record of making quality hires; and We hire them, and we train them, but we can't see to keep them.*

So, what can you do at your company that can help you reach (and keep) the right people? To help you, I created this quick-and-easy guide for strategic action.

### Do you have a referral program that works?

- Statistically, the best source of quality hires.
- Everyone is a recruiter! Make it easy to post openings on social media and give incentives for each post.
- Are employees trained on how to be great recruiters?
- Do you make it easy? (One-page sheet, mobile ads, QR codes, etc.)
- Do you market and brand your program?

### Your hiring page

Is this something candidates can find easily? Don't make them look for it. If hiring is your No. 1 priority, consider including a splash page on your website. Also, every hiring page should include three videos:

- The CEO/Owner video sharing the company's vision, mission, goals, culture, etc.
- A Day in the Life video. Make it cool and good quality.
- Employee testimonial videos. These are easy to produce on smartphones.
- Also create a Hiring FAQ. Don't make applicants guess at your hiring process. Let them know what they can expect each step of the way. Then live up to your timeline.

### Disengagement, low productivity, and turnover is created when we hire misfits.

Many managers hire a candidate out of desperation, to finish the hiring process, so they can go back to doing their job. Never mind hiring top employees is the most important job they will ever do!

Many new hires don't have the necessary skills. Don't assume anyone's abilities just because of their experience. Skill testing is a must for every position. You can test on sales skills, administration skills, IT, insurance knowledge, etc. You can do this using the following:

- There are plenty of skills test websites out there. If you can't find a test, then create one! Remember, half of all applicants will test better than the other half. How do you know who you are hiring without testing??
- Personality assessment tools help understand an applicant's natural strengths and weaknesses. The best tools provide interview questions based on the profile results. There are hundreds of these tools, so test a few out to see what works best for you.
- Case scenarios. Have candidates walk through how they would handle your greatest challenges.

- ❑ Behavioral interviewing. Make sure you don't hire a victim. Ask them what felt unfair in their last job. Keep asking the question "why?," until you understand how they deal with things that feel unfair. Also, ask them about when they were most excited about their previous job and explore those whys.

## Onboarding

Once you've hired someone, don't ignore them! Rather, establish an amazing onboarding experience.

- ❑ Take a checklist approach. Onboarding is a process, not an event.
- ❑ Conduct an Entrance Interview on the person's first day. Find out why he or she decided to come to work for you. Then use that data to go back to the candidate market.
- ❑ New employees are like mini-consultants. On the first day share a [60-Day Survey](#) asking what they can see about the company you can't see for yourself and have them share their experiences. Go over that survey with them on the 60<sup>th</sup> day.
- ❑ Conduct a 90-Day Quality of Hire Assessment. Did you make a quality hire? If not, is the potential there? If not, time to look for a replacement.
- ❑ Consider, the Zappos Pay-to-Quit Experiment. It's a bold move in which—after an initial training period—you offer candidates money to quit. If they aren't fully committed, do you still want them?

## The 'Big Quit' or 'Great Resignation'

We are experiencing unprecedented rates of turnover. In my experience, the full cost of turnover it is roughly 1:1 at the mid-point salary (i.e., if the

employee earns \$50,000, the turnover costs are roughly \$50,000). If the employee earns over the midpoint, the ratio increases, below it decreases. Remember, turnover is contagious. Here are just some of the costs involved:

- ❑ Costs per employee/manager/HR
- ❑ Separation costs
- ❑ Vacancy costs (overtime, temps, etc.)
- ❑ Increased stress on remaining staff
- ❑ Cost of hiring a new employee
- ❑ Onboarding costs
- ❑ Training costs
- ❑ Soft costs (including client/customer dissatisfaction)

And, don't forget revenue equivalency. Remember this: every HR problem becomes a sales problem. How much revenue will you have to bring in to make up for that turnover cost? The ratio is conservatively 4:1—that \$50,000 in turnover cost represents \$200,000 in marginal replacement revenue. How many new clients, customers, patients, or projects does that represent?

## Who is resigning?

- ❑ In the first 90 days, Gen Z employees tend to quit. They are new to the workforce and they are disoriented quickly. Many aren't exactly sure what they want to do.
- ❑ Employees between 30 and 45 years old have had the greatest increase in resignation rates. Especially in dual-income households with kids.
- ❑ In recent years, some 1.8 million women have left the workforce. How do you support working moms?
- ❑ Early retirees. Why not keep them on part-time, working in their highest capacity?

## Why are they leaving?

- Poor onboarding experience
- More pay
- More flexibility
- Poor fit culturally
- Better career opportunities
- Changing career paths
- The boss
- Retirement

## Money, money, money

Do you have a compensation philosophy? Do you pay at, below, or above mid-grade? How do you use incentives to create more skin in the game? Do you know the "market rate" for each position? Also, how are you using available funds to engage and incentivize employees effectively?

## Hybrid work

Hybrid work is here to stay. The good news is it opens you up to job candidates from anywhere! Some thoughts on managing the remote workers to keep them engaged:

- Flexibility is the buzzword. The shift is to focus on results, not activities.
- Wage and hour laws—make sure they have a good app for clocking in/out, including meal periods.
- Safety—the home office is an extension of your workplace. Is it safe? A worker's compensation case was filed because a worker tripped on her carpet on the way from her desk to the bathroom.
- Security—remote workers are a significant cyber liability threat. Make sure they are following all the protocols. If they work on sensitive matters, is there physical security of the home, equipment, etc.?

- Staying in touch—you must reach out to your employees at least once per week for one-on-one meetings. Send handwritten notes to them and gift cards too.
- Proper equipment—make sure they have a good chair, keyboard, desk, monitor, Zoom equipment, etc.
- Encourage them to come into the office at least one or two days per week.
- Try to have all remote workers meet in person at least every six months.

## Growth opportunities

Just what are the growth opportunities?

- Career planning—what's next? Is there a plan for it that involves any gap training?
- Do you provide career ladders?
- Don't let titles get in the way of career advancement.
- Have they been assigned a mentor? Coach?

## Employee branding

Everything you've learned about business branding applies to your employee branding.

- Website—look at how Great Places to Work winners have branded the work experience.
- Clothing—have employee contests to create logos, slogans, etc. Make sure it is cool enough that they are willing to wear it outside of work.
- Building—your workplace tells a story. What is it? Use posters, quotes, whiteboards, and other tools to help visualize your brand.
- Home office—send some posters and other swag to help them stay visually connected to your office.

## What employers are doing

According to my research and experience, employers are:

- ❑ Providing pay hikes equal to new market rates.
- ❑ Surveying employees to find out what they want/need.
- ❑ Delegating as a way manage workloads. It also provides growth opportunities for others.
- ❑ Doubling down on culture and inclusion. This must start at the top.
- ❑ Selling employees on career opportunities. Can they see the long-term opportunity of working with you?
- ❑ Recruiting wider, especially for remote or younger employees.
- ❑ Creating a fun/engagement committee.
- ❑ Making good use of social media.
- ❑ Focusing on pay for performance initiatives.

## Recommended HR Vendors

I continue to refer companies and other experts I trust after 30 plus years in the industry. Any partner identified has been personally vetted by me, and I may be compensated for any referrals. Let them know I recommended them to you. If ever any questions about them, please don't hesitate to contact me.



Background checks, fit-for-duty exams, immigration documentation, Occupational Medicine, drug tests, liters, wellness, and physicals. and more. Global HR Research is a company I have known for more than 20 years.

To learn more, go to [www.ghr.com](http://www.ghr.com)



I sold my company, HRThatWorks, to ThinkHR (now Mineral) in 2014. I worked there for two years. I helped develop the employee handbook builder and other tools. I now provide access to their excellent site to my clients.

To learn more, go to [greathr.com/mineral](http://greathr.com/mineral)



I have known the folks at ZeroRiskHR for close to twenty years. I have used their profile with clients and for hiring more than 100 times. The tool is excellent as is their support. To learn more and get access to a complimentary assessment. To get special pricing use code PHIN.

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## About Don Phin, Esq.

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