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BY JOAN ADAMS

People, People, People

ou hear companies proclaim, "People are the most important thing in our business," every day. Advice columns tell you to focus on your people, develop your people, train your people and of course, the new favorite: empower your people.

Happy employees give the best customer service; they also produce better quality products and generate fewer errors. Treat your employees right and they will repay you tenfold. It's the people, not the technology, that make businesses run successfully.

It's all true. Happy employees will do a better job. And none of this good stuff happens if you keep employing the wrong people. You bring them in the door. It is up to you to make sure they are quality hires to begin with, because if they aren't, you aren't going to change them.

This is the first step in building a successful business. You need to hire "good" people – people with the skills and the attitude to be an asset to your company. If you hire the "right" people the first time, you will be able to "empower" them and achieve your business goals. How does your company go about recruiting the "right" employees?

High turnover is expensive. And hiring the wrong people is an avoidable mistake. Yet companies do it again and again. Think about it – there are a lot of costs associated with hiring a new person.

- Search costs: you place ads, sort through resumes, do interviews and ultimately you hire someone. This takes time and money.
- Bringing the new employee on board: New employees require all sorts of handling and paperwork. You need to set them up on payroll, get them health insurance, print business cards, get them

Hiring the right people requires a systematic approach.

a desk, a computer, set up their 401Ks, etc. This is a total wasted effort if that employee walks out the door only two to three months later. Each time you go through this cycle, you waste time and money. And what's more, you are driving your current employees crazy!!

■ Impact on your team: New employees need training; this task is usually left to the existing team. You may think of this as on-the-job training. Your loyal employees think of it as a thankless job. They know what a new hire means – more work for them. They have no desire to train the new person, particularly if they suspect he or she isn't going be around very long. A steady flow of new managers is just as disruptive. Each one tries to remake the department in his or her own image. This constant state of change wears employees down too. Quickly, they become impervious to change. They have learned "this too will pass."

The truth is, most small companies don't have a personnel plan. They don't anticipate their staffing needs. Someone retires, another moves, and all of a sudden they are short of people. What does the small PVF company do? React. There's too much work; they need somebody **right now.** The hiring process goes into warp speed, the thinking being "we have to fill that slot" rather than "we will search until we find the right person." Desperate companies don't feel

they can spend the upfront time. Someone is hired and everyone hopes for the best. Too often, those hopes are quickly dashed. So the next time make sure to invest the time and effort. Here are some thoughts on how to do better at hiring the right employee.

The job definition. Yup, the first step is to sit down and write up a job description. You can't possibly hire the right person for the job if you haven't accurately described what the job is. Start with a position title, then write up a brief description of duties and qualifications needed. Get input from your team. And be specific.

Bad: Must have experience in PVF. **Good:** Must have a minimum of five years' warehouse experience in PVF.

2 The interview script. Don't "wing it" for the interviews. Generate a list of questions ahead of time. It is important that your interviews are consistent and thorough. Don't just ask about past job experiences – ask them what they would do in a given situation. Get them to think on their feet, not just recite recent accomplishments.

3 Competency tests. Anyone can say they are computer literate. Make sure they really are by testing their computer savvy. Park them in front of a terminal and ask them to create a Word document. Give them a list of clients and sales numbers and tell them to input the data into an Excel spreadsheet. Ask them to sum up the sales numbers and sort customers alphabetically. Take them to the warehouse and test their PVF knowledge. Each of these little "tests" will

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take all of five minutes. You will know instantly whether the candidate has the basics you require.

Anny candidate have all the requirements. So you need to decide which skills are the most important. At the end of each interview, you will be able to give the applicant a "score."

5 The right package. In order to get the right person, you do have to offer a competitive package. Do your homework—you can find all the pay rates and benefits info on the Web. In the end, you get what you pay for. Short-term cheap is more often than not long-term expensive.

6 The search. The higher the position, the wider you need to search and the

longer time you will need to devote to the search. Monster.com and trade magazines like this one are perfect places to search. Regional papers are good too.

The interview. You have done all this work and preparation – now spend some quality time with the candidates. Have at least two people interview each candidate. Don't make a decision after the first round. Get your team together and discuss the applicants. Apply your ranking system and call the top three to five candidates back for a second interview.

Hiring the right people is like any other business duty. It takes time and it takes a systematic approach. It's not perfect – sometimes people just don't work out – but if you can reduce the cost and disruption

from high turnover, you are investing your time wisely and it will show. <<

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