

The Top 10 Ways to Minimize your Hiring Costs while Maximizing your Talent Pool

In today's highly competitive, multi-generational and candidate-driven market, it is imperative that San Diego's businesses take a long-term, proactive approach to the recruitment and retention of top financial talent.

Fortunately, there are a number of resources available to companies of all sizes that will support the identification, attraction and retention of top talent, while simultaneously minimizing costs.

- 1. Encourage your Managers to Network and Attend Networking Meetings**
“San Diego is the single best city in the country when it comes to networking.” I hear this comment on a daily basis from professionals who have relocated from other cities. There are a number of great networking opportunities that offer a venue for meeting top-notch professionals from all industries and functions. Every manager and human resources/internal recruiting professional should attend a minimum of 2-3 networking events each quarter. This will help develop and maintain a network of contacts that each Manager can reach out to when making a hire. Ideally, this network should be comprised of a diverse group of peers, industry leaders, and service providers.
- 2. “ABR” – Always Be Recruiting**
Develop a culture that encourages ongoing recruiting. It is much easier to hire someone when you have a fresh pipeline of potential candidates and sources vs. starting from scratch with each new hire. Informational meetings, exploratory interviews and referrals are great tools that will help you build this pipeline.
- 3. Create an Effective *Employee Referral Program (ERP)***
While this will require some upfront effort, the long-term ROI is enormous. The companies that practice active ERPs attribute between 40% and 60% of their hires to employee referrals. Even if your organization paid a \$1000 referral fee per new hire, you would be able to hire approximately 20 employees before you even approach the cost of using an external recruiter - depending upon the level of the employee. Moreover, effective ERPs are not always based on cash incentives. Some of the best programs offer non-cash rewards, an extra day off, a raffle ticket to be entered into a drawing for a new iPod at the quarterly meeting, lunch for the referring employee's department, etc. The key is to be creative and uncover what motivates your team.

4. Leverage Social Networking Sites

While there are many sites available, LinkedIn is one of the best – and free – social networking tools available. Many Fortune 500 Companies are also beginning to develop a presence on Facebook or Myspace as well.

5. Create an *Employee Value Proposition (EVP)*

Each company must spend time identifying and marketing their unique EVP in order to distinguish their organization from the competition. The most effective way to hire the right professionals is to determine the unique characteristics that define your organization – including the makeup of your most successful employees. It is incumbent upon each employee involved in the hiring process to have a clear understanding of this EVP. While there are many different qualities that characterize a particular organization, there are 3-5 that truly define every culture: the product or service, work/life balance and upward mobility, the use of cutting-edge technology, market-leading compensation packages, telecommuting, international exposure, pre-IPO or green initiatives. The corporate website, advertisements, marketing materials, career fairs, job postings, sponsorships and new-hire packets should all communicate this same message.

6. Leverage your Corporate Website

When looking for a new job, the common practice among job seekers (particularly those between the ages of 22 and 39) is to “Google” the specific job, company, location and/or industry they are seeking. If you post your open job on Monster.com the job may come up on the candidate’s search - but so will the multitude of other opportunities you are competing with. It is surprising to see so many jobs posted on Monster.com or Careerbuilder.com that are NOT posted on the company’s website. Posting on your company website is free. The benefits of posting jobs on your company’s website include:

- a. Driving more candidates to your site
- b. Demonstrating a well thought-out hiring strategy
- c. Allowing you to market your company’s EVP much more effectively
- d. Providing candidates with the option of applying directly to your company and/or position

7. Hire Interns and Develop them as Employees

One of the best ways to ensure the right fit when hiring new employees is to “try them out” as interns. SDSU, USD, UCSD and CSUSM are constantly seeking out organizations willing to hire students as interns for 1 or 2 semesters at a nominal hourly rate (typically between \$12 and \$18/hour). This is a great way to complete special projects while at the same time reviewing the capabilities, skills and personality fit of these up and coming professionals.

8. Foster an Atmosphere of Promoting from Within

Again, while it will require some up front effort, developing a culture that embraces succession planning or “career tracking” is a highly effective way to attract and retain the best talent. Encourage your managers to cross train their staff and provide their employees with opportunities to interact with multiple departments. Insist that these same managers gain an understanding of the long-term career goals of each direct report. You may discover that your cost accountant is better suited in a financial analyst role. Not only will you get better results out of her, but you will keep her engaged much longer if she is allowed to work in a role that leverages her strengths and talents.

9. Develop an Engaged Workforce

It is estimated that less than 30% of the U.S. workforce is “fully engaged” – builders who use their talents and develop productive relationships (Gallup Organization). These engaged employees are more productive, they use fewer sick days, they develop new, innovative and cost saving strategies and they recruit other engaged professionals to join your organization. People feel engaged when they see a direct link between their day to day job and the company’s mission. These same professionals want to be measured and evaluated, making it imperative that each employee receive an annual, if not semi-annual, review. Today’s workforce is also focused on continuous education including certifications, graduate degrees, and advanced learning requiring management to encourage this “life-long learning”.

10. Develop an Effective Hiring Process

The final and most essential component of this strategy is the development of an effective screening process. Rely on behavioral interviewing vs. “tell me about yourself”. Hold multiple interviews (3 is ideal) on multiple days in order to gain different perspectives on your potential new hire. Once you have identified the right candidate and done your due diligence (i.e. references, internet and background checks), do not wait to extend an offer. You will lose some of the best talent by holding a “beauty contest” whereby you meet 3-5 candidates simply for comparison sake. If you have effectively defined the position, the necessary skills, the right cultural fit, and the desired talents, you should be prepared to make a decision as soon as you meet the professional that satisfies this profile.