

How to Avoid the

HIGH

Cost of Hiring
Average Employees



PRIDESTAFF[®]



1/16



[close]

Did You Know...

- **“Top performers can increase productivity, revenue, and profit between 40% and 67% over average performers.”**

Source: McKinsey & Co.

- **“A hard working laborer completes 38% more work per hour than an average worker – that adds up to more than \$22,800 per year in additional output!**

- **“A highly skilled tradesperson produces 32% more output than an average performer (that’s more than \$57,000 in additional output!).**

- **“Actively disengaged employees – those fundamentally disconnected from their jobs – cost the U.S. economy between \$292 billion and \$355 billion a year.”**

Source: The Gallup Management Journal (GMJ)



Mediocrity is a Profit Killer

Here are just a few of the costs of hiring average employees...

- Mediocre employees are “high maintenance.” They take more time, effort and expense to manage.
- Mediocre employees require more training. They often need remedial training and are still less productive.
- Mediocre employees make more mistakes. They raise scrap and rework costs and increase customer dissatisfaction.
- Mediocre employees cost the same as superior employees, but they produce far less output per dollar of salary.
- Mediocre employees kill morale and team productivity. Star employees don't like to carry poor performers.
- Mediocre employees damage your company's reputation. They drive away good clients and the best job candidates.
- Mediocre employees cause more turnover. They dramatically increase termination and rehiring expenses.
- Mediocre employees put your business at risk. Companies that hire average workers see more claims for ADA, FMLA, workers' comp, as well as DOL wage and hour complaints.

*Source: Dr. John Sullivan
Professor of Human Resource Management,
College of Business, San Francisco State University*



So what can
you **DO**
about it?



4/16



[close]

How to Consistently Hire Top Talent

1. Build a profile of a star performer and your performance expectations.

It's hard to hire a top performer if you don't know what one looks like. Before you start recruiting, create a detailed profile of the person you want to hire.

Be sure to include:

- Job duties
- Measurable responsibilities of the job
- Your performance expectations
- Estimated value to the company of meeting performance expectations
- Specific skills needed, including the proficiency requirements for each skill
- Industry and functional experience requirements
- Educational requirements and certifications needed
- Desired behavioral traits (how the person thinks, acts, behaves and interacts)



5/16



[close]

How to Consistently Hire Top Talent

2.

Draw from a bigger talent pool (have a better recruiting strategy and partners).

There's an old saying in recruiting that if you want to hire the best talent, you have to see the best candidates. So are you attracting the best people to your company?

If you're relying on job posts, classified ads and referrals, the answer is no. You're only getting to a small percentage of the market and you may not be getting the best people – those who are already working.

Better recruiting is only half the battle.

You also have to **SELL** your company. Write job posts so they will attract top performers.

Here are a few tips:

- Write strong headlines in job posts
- Emphasize the reasons why someone would want to work for you
- Sell the opportunities for growth and recognition
- Convey a little of your corporate culture



6/16



[close]

How to Consistently Hire Top Talent

To attract better candidates, use better tools!

While there's no silver bullet for candidate sourcing, consider the following tools:

Tools to find active job seekers	Sources to help you find "hard-to-find" candidates	Social networking tools
<ul style="list-style-type: none">■ Your company website■ Major job boards■ Niche job boards■ Local job boards■ Classified advertising■ Resume databases■ Employee referrals■ Job fairs■ Government agencies	<ul style="list-style-type: none">■ Temporary staffing firms■ Executive recruiters■ Websites for professional organizations■ Local colleges and trade schools■ Community and religious organizations	<ul style="list-style-type: none">■ Social networks – LinkedIn, Facebook and Twitter■ Local websites that attract a lot of the kinds of people you need



How to Consistently Hire Top Talent

3.

Screen better.

How do you evaluate job candidates? With an application form? An interview? Or do you have a more comprehensive evaluation process?

Most companies rely on personal interviews as their primary candidate selection tool. But interviewing is a flawed process, and according to eBullpen, 46% of new hires leave within the first year.

When it comes to candidate screening, your goal is to find the most effective way to “hire the best and eliminate the rest.”

Here’s a process to help you achieve this goal:

- **Step 1:** Determine real requirements. Review all of your job requirements and determine which ones are really required and which are just desired.
- **Step 2:** Score every resume. Reject anyone who does not meet 100% of the qualifications you identified as required.
- **Step 3:** Telephone screen semifinalists. Ask a standard series of questions to verify requirements and ask questions that force candidates to describe how they match your desired criteria. Score the responses.
- **Step 4:** Interview the finalists. Conduct a face-to-face interview to verify required and desired criteria, assess behavioral fit, and get the candidate excited about working for you.
- **Step 5:** Validate your findings. Take advantage of the many skills and personality assessment tests available, and be sure to conduct thorough reference checks and background screening (see page 10 for more details).



How to Consistently Hire Top Talent

4.

Use structured interviews.

Would you describe your company's interviewing process as thoroughly defined, well constructed and highly strategic? Or is your interviewing style more "seat of the pants"?

If you answered "seat of the pants," don't worry – you're not alone. Only the top 1% of all employers use a highly structured interviewing process.

How to conduct a GREAT interview:

- **Plan your questions – what do you want to learn?**

Review your job profile and develop questions around each of your requirements. Ask questions that require candidates to demonstrate not just their knowledge of specific skills, but their experience successfully putting the skills to use.

- **Train your interviewers – what to ask, how to ask, and what to listen for.**

Most managers (outside of HR) have never been taught how to interview. To keep your interview process fair and objective, provide interviewers with a list of questions to ask, and give them a scoring system for evaluating responses.

- **Probe – ask deeper questions to evaluate qualifications and fit.**

Teach interviewers how to ask appropriate follow-up questions such as, "Could you give me an example of..." or "Could you tell me about a time when..." to address concerns and validate responses the candidate has given.

- **Document the responses for objective comparison.**

Provide your interviewers with a detailed interview form where they can record and score candidate responses. Keep this documentation, along with a record of your process for developing questions, scoring questions and evaluating candidates, to protect your firm against any potential discrimination claims.



9/16



[close]

How to Consistently Hire Top Talent

5.

Don't skip the reference and background checks.

According to HireRight.com, 34% of job applicants lie on their resumes. According to Yahoo! HotJobs, 41% of job seekers admitted to lying during an interview.

To protect your firm, and ensure you are making the best hiring decision, take advantage of the following tools:

- **Assessment Tests:** Skill testing can be used to validate technical skills, physical capabilities, and required job knowledge. Predictive assessments can be used to evaluate behavioral traits, problem-solving skills, and occupational interests.
- **Background Checks:** Verify legal residency, education, industry-specific certifications, credit reports, driving records and criminal history.
- **Drug Testing:** Ensure job candidates have not recently used illicit drugs.
- **Reference Checks:** Verify past work experience, work performance, previous compensation, and interpersonal skills.



How to Consistently Hire Top Talent

6.

Make a competitive offer.

Here's a surprising fact: you don't have to break the bank to hire a top employee. In fact, quite often, you can hire an exceptional worker for the same cost as an average employee.

Here's how:

- Benchmark salaries: Know what it takes to make a competitive job offer.
- Offer performance-based compensation: Top performers want to be rewarded for their results.
- Focus on opportunities for growth: The best people value training and opportunities for career advancement (often more than current pay).
- Take advantage of non-cash incentives: Many people value quality of life incentives over compensation. Consider offering schedule flexibility, telecommuting, and a more relaxed work environment.

The REAL value of hiring better talent

- 25% to 100% more output.
- Less management time and a lot fewer headaches.
- No additional training is required (and often less).
- The total cost, including compensation of a top employee, is no more than 25% higher than an average employee.



11/16



[close]

A Great Hire is the BEST Investment You Can Make in Your Business

No question, mediocrity is a profit killer. While hiring top performing employees may take a little more work, and cost you a little more in the short term, the improvement in productivity and profitability far outweighs the cost – not to mention the elimination of all those management headaches!

Why it PAYS to invest in better talent:*

	Average Employee	Top Performer
Annual Wage & Benefits	\$37,500	\$45,000
Annual Output	\$75,000	\$93,750
ROI	–	250%

* Average employee assumes a \$15-an-hour employee working 2,000 hours a year with 25% cost for benefits. Annual output of the average employee is estimated at 2x the annual wage and benefits cost. Top Performer wage and benefits cost estimated at 20% more than the average employee. Annual output of the top performer is estimated at 25% more than the average employee.



Avoid the High Cost of Mediocrity with PrideStaff

PrideStaff is a national temporary staffing organization committed to delivering exceptional people and exceptional results.

Our Services:

Temporary Staffing

- Just-in-time temporary help
- Seasonal and peak load staffing
- Long-term fill-ins and project specialists

Temp-to-Hire

- The no-risk way to hire new employees

Direct Hire

- Professional recruiting for hard-to-find talent

People We Can Provide:

Manufacturing & Distribution

- General Laborers
- Warehouse Laborers
- Shipping/Receiving Clerks
- Forklift Drivers

Office & Clerical Support

- Customer Service
- Administrative Assistants
- General Office
- General Accounting (A/P, A/R, and Bookkeeping)
- Receptionists



PrideStaff Can Help You Make GREAT Hires

- Get immediate access to a bigger talent pool
- Directly recruit passive job seekers
- Fill your open jobs faster
- Eliminate the risk of bad hires
- Safeguard your company from EEOC claims
- Stop wasting time with unqualified resumes
- Eliminate the chance of I-9 violations

And drive business performance.

- Improve efficiency by outsourcing low-value tasks
- Capitalize on new business opportunities
- Lower overtime and benefits expenses
- Eliminate process bottlenecks
- Strengthen your talent bench
- Give your business more flexibility to adapt to changing market conditions

"PrideStaff delivers on the 3 C's: Consistency, Customers and Cost. Consistent in their approach to providing candidates and maintaining relationships. Customers are always #1, and they ensure to respond quickly to requests, issues, etc. Costs are competitive when you consider the talent PrideStaff provides."

Jason Miles
Affirmative Insurance



14/16



[close]

Industry Leading Staffing Performance

In the most recent national client satisfaction study conducted by research firm Inavero, PrideStaff received the prestigious **Best of Staffing** award, earned by fewer than one percent of all staffing firms.

2013 Net Promoter* Results

PrideStaff 73%

Staffing Industry Average 17%

**The Net Promoter Score methodology distills client satisfaction into a single measure comparable across different locations and types of businesses. NPS measures the percentage of clients who would rate a service provider a 9 or 10 on a 10 point scale versus those who would rate the firm a 6 or lower. The NPS methodology was developed by loyalty expert Fred Reicheld, Bain Consulting and Satmetrix, and it is used by such global companies as GE, Apple and Southwest Airlines among others.*

Better Quality. Better Results. Lower Costs.

By consistently providing better candidates and more responsive service, PrideStaff allows you to maximize productivity and minimize your overall labor and staffing costs.



PRIDESTAFF®

OUR MISSION:

Consistently provide client experiences focused on what they value most.

Ready to recruit your next top performer?

Contact your local PrideStaff office today!

www.pridestaff.com



16/16

[close]