Hiring and Retaining the Technical Professionals You Need Most!

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TUTORIAL OVERVIEW

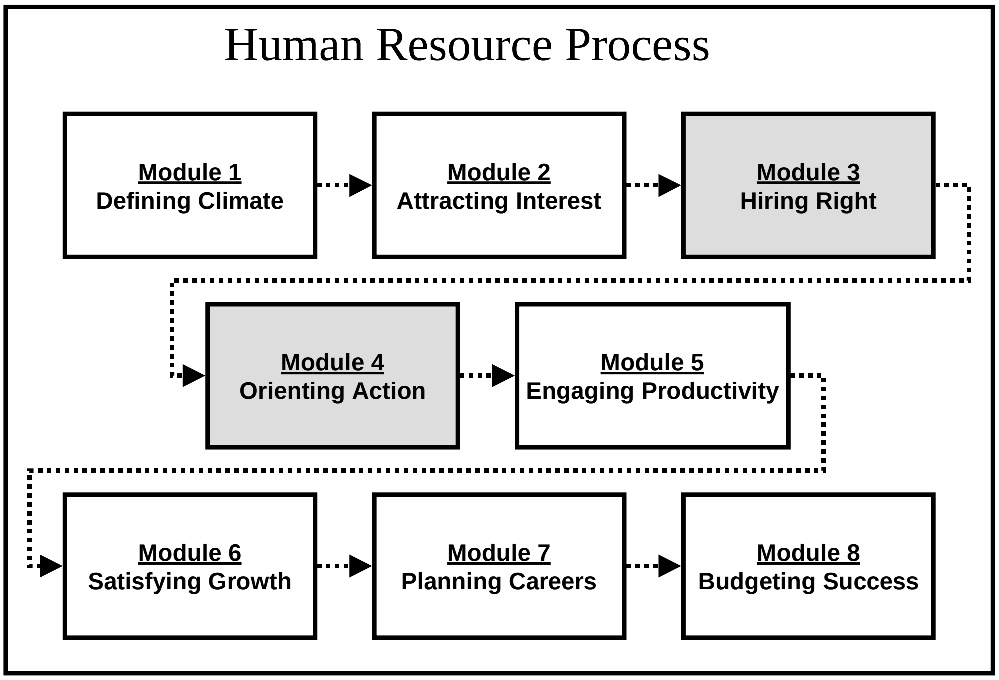
Speaker Introduction

John Stenbeck is the President of Pareto Principals, a San Diego-based consulting organization. His qualifications include:

- Working with clients that include, among others, VISA-Smart Card Division, Oracle, Lucent Technologies, U.S.D.A., National Finance Center, and U.S. Marine Repair.
- Holding positions as Director of I.T. and Director of Project Management.
- Internationally published author.
- Professionally trained over 900 students.
- Motivated by, and focused on, providing Measurable, Practical, Performance-Enhancing Solutions!

Understanding the Human Resource Process

For the purposes of this tutorial we will define the human resource process with an 8-step model, illustrated as:



Defining the Tutorial Focus

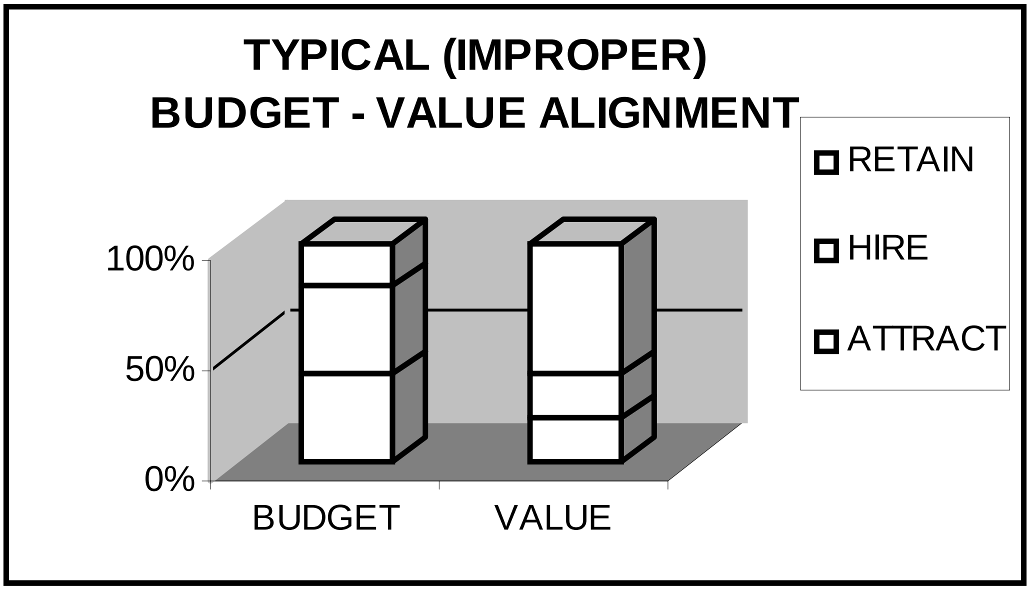
In order to produce measurable, practical benefits within the time constraints of this tutorial we will focus our attention on Steps 3 and 4, and only highlight key concepts in the other steps.

Targeting the Biggest Opportunity

With turnover rates reaching upwards of 20 percent a year at many companies, there is cause for concern given its "domino effect" on your budget, your productivity, and your reputation! According to a recent survey, almost two-thirds of IT staffers were being contacted by recruiters – some as often as three to six times a month. Ouch!

Understanding that increased retention rates enable organizational success should motivate a reevaluation of how much of the budget gets dedicated to each of the three phases of an employee relationship – Attract, Hire and Retain. Keeping your valuable staff members from walking out the door and never coming back is a critical success factor. But how do you do it on a limited budget?

Success comes from correctly aligning your Budget with the Value of each of the three phases of an employee relationship. And, they key to being able to align them is to create a culture that has access to more channels, or sources, for acquiring qualified professionals easily and inexpensively, and then retaining them for longer periods.



Module 1 – Defining Climate

Identifying Key Skills

The most important skills are the ones that make technical professionals valuable regardless of changes in technology. Those core skills include:

- Respect for others
- Good communication
- Ability to understand business requirements
- Good troubleshooting skills
- Desire to find appropriate solutions
- Ability to adapt existing "constraints" to new challenges

Quantifying the Cost of Attrition

The high cost of replacing seasoned professionals cannot be over-estimated. The economic cost of losing a person includes:

- Advertising – and, if applicable, a recruiter or search firm fee
- Screening – responding to inquiries and reviewing resumes
- Interviewing – arranging, preparing, and conducting each "round" of interviews
- Evaluating – comparing candidates and checking references
- Offering – preparing, presenting, negotiating, and revising offer/acceptance
- Differential - normally the compensation package for a replacement is higher
- Transitioning – initial travel, living, and moving expenses
- Initiating – orientation, training, and sometimes certification
- Productivity Losses – may be largest and hardest to measure

It commonly costs more than $80,000 to replace a qualified person, not including lost productivity.

Understanding the Preferences of Technical Professionals

Technical professionals can be (grossly) characterized as preferring systems that are:

- Quantifiable and Measurable
- Predictable and Forecastable
- Accomplishment Driven (i.e., performance-based advancement)
- Stable (short-term) and Flexible (long-term)

Creating Culture

Culture can be organizational or exist as a sub-culture, but it must address three primary motivators in order to reduce your turnover rate.

- Salary
- Career Opportunities
- Recognition

Remember, fair and competitive compensation should be the first item on your retention checklist, but it should <u>not</u> be the <u>only</u> item!

Module 2 – Attracting Interest

There has been a distinct change in the hiring environment during the last 12 months. Although it has gotten easier, relatively speaking, to hire I.T. and certain other technical professionals, you would be fooling yourself if you thought it was going to stay that way permanently.

The tougher and more competitive the environment the more important it is to use every source, or channel, to attract qualified professionals.

Typical Sources

- Paid Advertisements
- Recruiters/Headhunters
- Networking with Peers
- Current Employee Referrals
- Internet Job Postings

The Key to Success

Improve the mix of sources you rely upon, and add others.

	Typical	Successful
Paid Advertisements	25%	20%
Recruiters/Headhunters	25%	10%
Networking with Peers	20%	25%
Current Employee Referrals	20%	30%
Internet Job Postings	10%	5%
Existing Non-I.T. Employees	0%	10%

Sometimes companies miss the opportunity to leverage existing employees because they don't make it a point to create a desirable culture and then utilize it. Creating the culture is the "cost" side and utilizing it is the "benefit" side, so be sure to get the benefits that have already been "purchased."

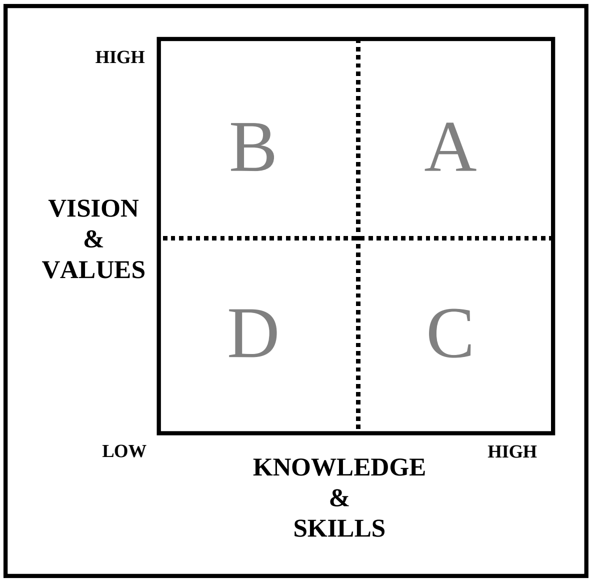
Utilization is accomplished by having an on-going communication campaign that shares all of the accomplishments, benefits, and opportunities that are part of the organization or department. The Communication Campaign Elements should include:

- Monthly Publications
- Quarterly "Lunch-N-Learn" Presentations
- Semi-Annual "Employees & Friends" Job Fair (with free reservations, door prizes, and bounties/bonuses)

Module 3 – Hiring Right

Aligning Your Culture

There is no single perfect employee profile. It's the total package, not just technical skills, that is important. The best employees will learn fast, adapt quickly, and keep growing…in a coherent culture.



The goal is to hire A's and completely avoid D's, but hiring B's and C's is unavoidable. Therefore, there must be a plan to train B's and mentor C's so they become A's. And if you mistakenly hire any D's, act quickly to end the relationship.

The real challenge is keeping focused on hiring A's. In some organizations they routinely reject "overqualified" job candidates on the assumption that they will be quickly dissatisfied with the job. Learning how to apply those extra skills can be one of the keys to great success! And the opportunity only comes with a system designed to find, hire, and retain A-quadrant professionals.

Behavior-based Interviewing

The behavior-based interviewing process is based on a pair of assumptions. First, past behavior is a good indicator of future behavior. And second, well-prepared questions lead to thoughtful answers which give the interviewer great insight.

Conducting the interview has the following pattern:

1. Ask a few rapport-building questions.
2. Explain the nature of the job, and answer any questions about it.
3. Explain that you will be asking highly focused questions and seeking specific past examples.
4. Explain that the interviewee should not feel rushed and can take whatever time is necessary to think of appropriate examples.
5. Explain that you will be taking notes to "support your memory" and that they should try not to be distracted by it.
6. Ask open-ended questions about past events, listen carefully, and stay focused until you get specific, behavioral examples in reply.
7. Maintain control by returning to specific questions, or by re-directing the interviewee, when ambiguous answers are given.
8. Be sure to ask for contrary examples to balance a "one-sided" view – good or bad – of the interviewee.
9. Don't be afraid of silence!!
10. Document and organize responses immediately afterward. Evaluate results in a timely fashion.

Understanding the Job

Asking the right questions is your single best way to get the right kinds of information during the interview – the kinds of information that will lead you to the best hiring decision. As a first step, define your understanding of the job. Questions that will give you specific information to better understand the job include:

- Does the person work with hardware or software technologies? Which ones?
- What specific technical skills does the job involve?
- Does the person manage others?
- Does the job involve making decisions relating to policy and/or procedures?
- What specific performance skills does the job involve?
    - Following established guidelines.
    - Applying established guidelines to specific situations.
    - Helping others apply established guidelines to specific situations.
    - Supervising others.
    - Presenting information to others.
    - Interacting with other departments.
    - Coping with the pressure of numerous simultaneous inquiries.
    - Solving work-unit or project level problems.
    - Dealing with negative emotions in the workplace.
- Does the job involve direct contact with other departments?
- Does the job involve direct contact with customers?
- Is there anything else important about this position?

Three Important Guidelines

1. Avoid asking questions that can be answered by a simple "Yes" or "No." Pose questions that invite the candidate to talk about what he or she has done in the past. As the candidate talks, you have an opportunity to get the information you need in order to make an informed hiring decision.

2. Use open-ended questions that ask for specific examples of past job behavior and require the candidate to talk about specific details of past job experiences.

3. Keep your questions focused and ask for specific information. For example, ask something like, “Please think back to when you configured a new desktop computer and tell me exactly what steps you followed to configure it and test its performance.

Three Kinds Of Questions

There are three kinds of questions that will encourage the candidate to give you the information you need to make the right hiring decision. Begin with rapport-building questions to put the candidate at ease. Move to open-ended questions that invite the candidate to talk about past experiences. Add probing questions, if needed, to get more specific information.

1. Rapport-Building Questions

Begin by introducing yourself, and remember that interviews are more effective when you start with rapport-building statements and questions. Try to put the candidate at ease, gain their confidence, and demonstrate that this is a good place to work that it even cares about the people who interview.

Let’s look at two rapport-building examples.

- Hello Suzanne, I'm Robert. Thank you for being so prompt. I enjoyed reading your resume and I'm looking forward to our time today. May I get you some water or coffee?
- Hi Jim, I'm Peggy. I'm looking forward to our interview today. I see you listed scuba diving as one of your hobbies. I’d like to try it myself someday. What’s it like?

2. Open-Ended Questions

Open-ended questions invite the candidate to respond with detailed information about how the candidate solved a problem, handled a specific responsibility, or carried out a task. Be sure to keep referring to the performance and technical skills needed to be successful and only ask questions that give you specific information about how the candidate performed in prior, similar situations.

Let’s look at two open-ended examples.

- Please think of a time when you had to discipline an employee. Please tell me what specific steps you took to change their behavior, and why.
- This job involves dealing with multiple priorities. Please think of a time when you had to deal with multiple priorities and tell me what you did.

3. Probing Questions

Probing questions pursue more specific, focused information when the candidate doesn't understand the information you need or only partially answers the initial question. Redirect the candidate by asking another question directly related to the technical or performance skill you are evaluating.

Asking for Contrary Evidence

Whenever a one-sided impression of the candidate is forming - whether it's all good or all bad – it pays to ask for contrary evidence to prevent assumptions or erroneous first impressions from skewing hiring decisions.

Allowing for Silence

Whenever a candidate has trouble thinking of a specific example of the behavior you're evaluating, let the person know that silence is okay while the person comes up with an example. While they think, be sure to wait calmly and quietly so they see that you are not in a hurry.

The Interview and The Law

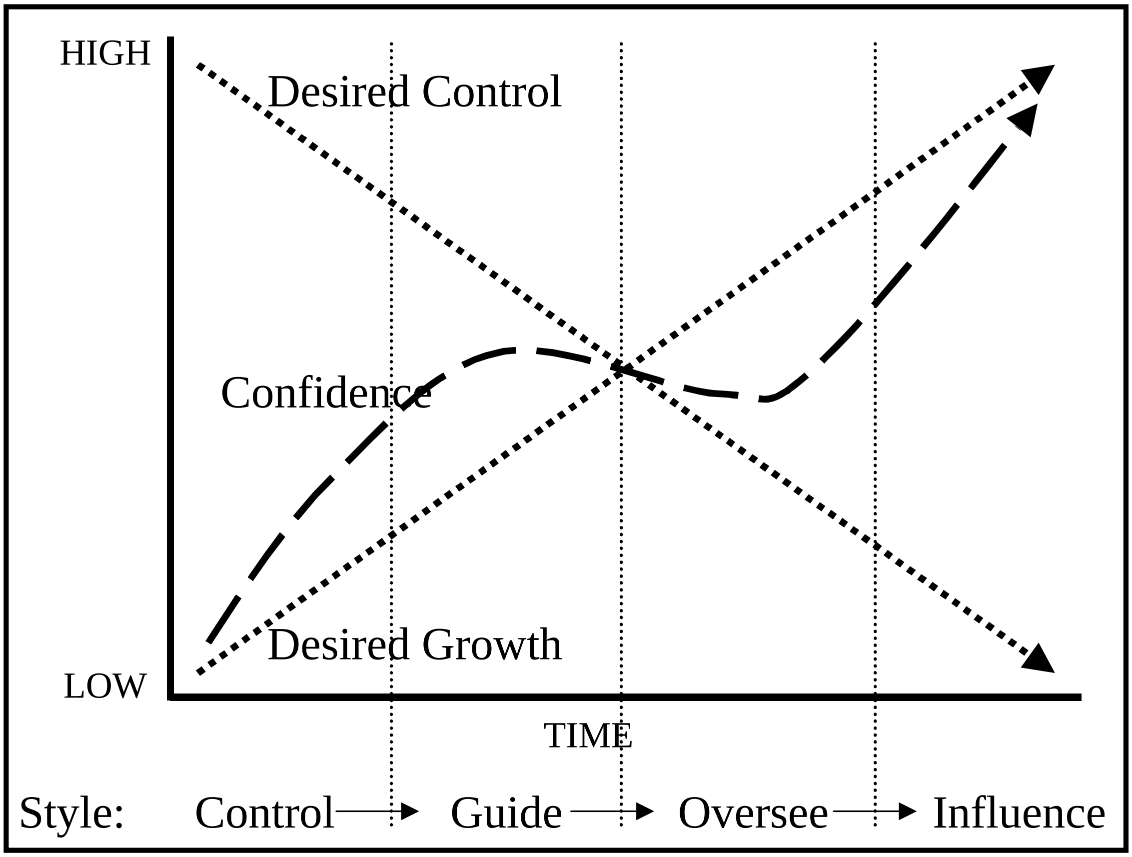
There are very strict legal guidelines for interviewing so you definitely want your Human Resources Department to participate in developing the questions. In any event, always avoid interview questions dealing with age, marital status, ethnic origin, religious preferences, sexual preferences, and disabilities.

Module 4 – Orienting Action

Orienting action is the first step in the Retain phase of the employee relationship. As such it behooves us to remember that the only universal motivator is success. Small success motivates large success. And for technical professionals, as all human beings, they are motivated to differing degrees by three other motivators – Salary, Career Opportunity, and Recognition.

The technical professional's preference for environments that are quantifiable and predictable has a lot to do with wanting to insure success. Because they also want performance-based advancement, they desire stable, short-term guidance and flexible, long-term opportunities.

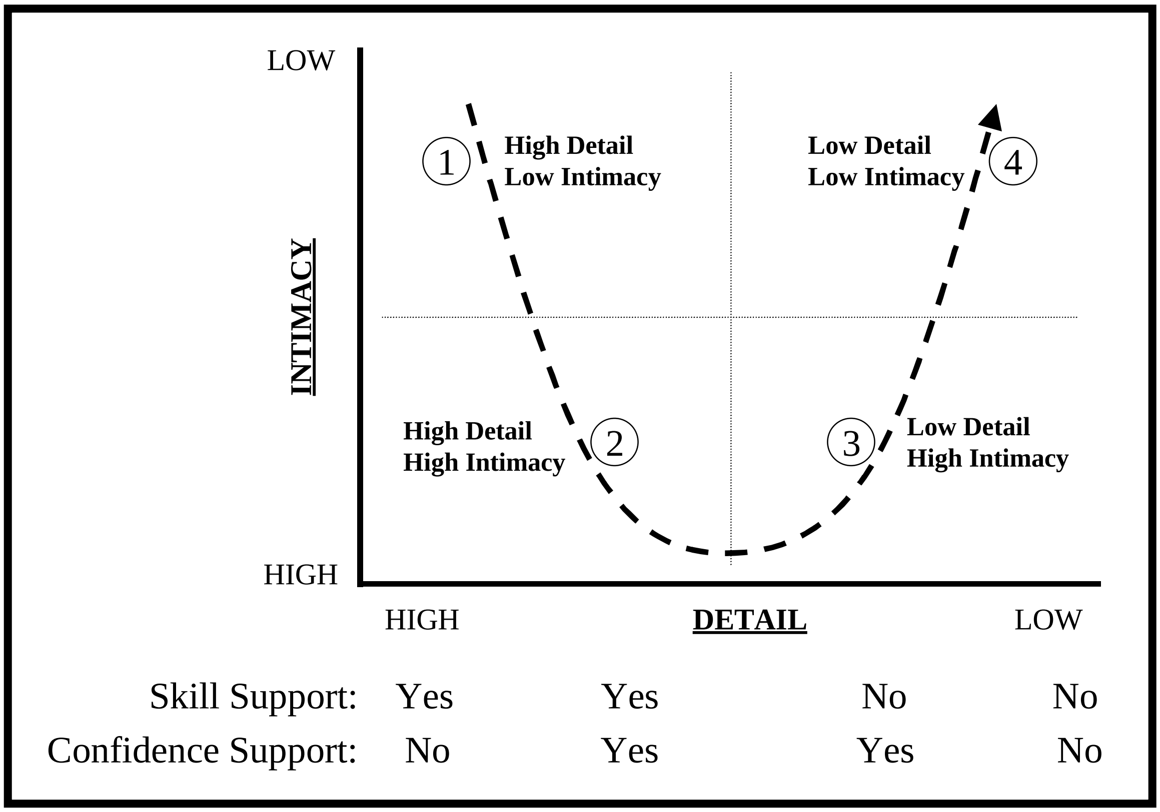
In order to understand how to create the right culture, we need a model that shows a manager how to balance the technical professional's desire for control with their desire for growth. It also helps if we can visualize the changing level of their confidence over time, and then use all three variables to indicate the right management style to apply.



The goal is to insure that communication aids growth – in other words, increased productivity – and also reduces the costs associated with detailed control.

As we see, there is an important dynamic occurring. Initially, the technical professional's confidence increases as the task is successfully completed while under the direct control of the manager. But then confidence begins to falter as the manager withdraws control and requires the technical professional to assume a greater role in determining and executing the work required to accomplish the tasks. Knowing how to effectively communicate with the technical professional during this important dynamic can be guided by asking two questions and using the answers to identify the appropriate communication style. The first question is, “Does the technical professional need skills support to accomplish the task?” The second question is, “ Does the technical professional need confidence to attempt the task?” Based on the answers, communication styles can be grouped, and illustrated, in a four-quadrant diagram.

The quadrants are plotted by defining the amount of instruction (or Detail required by the technical professional) on the X-axis and the amount of emotional support (or Intimacy required by the technical professional) on the Y-axis. By plotting the need for detailed instructions and the need for emotional support in this way it is possible to define the appropriate communication level.



In quadrant 1 we see the appropriate response for a technical professional with a very low level-of- readiness. This would typically be a person whose education and experience do not apply to the specific tasks required. They need a high degree of detail in instructions and control in order to successfully accomplish tasks they have never been exposed to before. They do not need intimacy to support confidence, because confidence in their ability to perform the task would be misdirected. As they gain experience and education they move to quadrant 2.

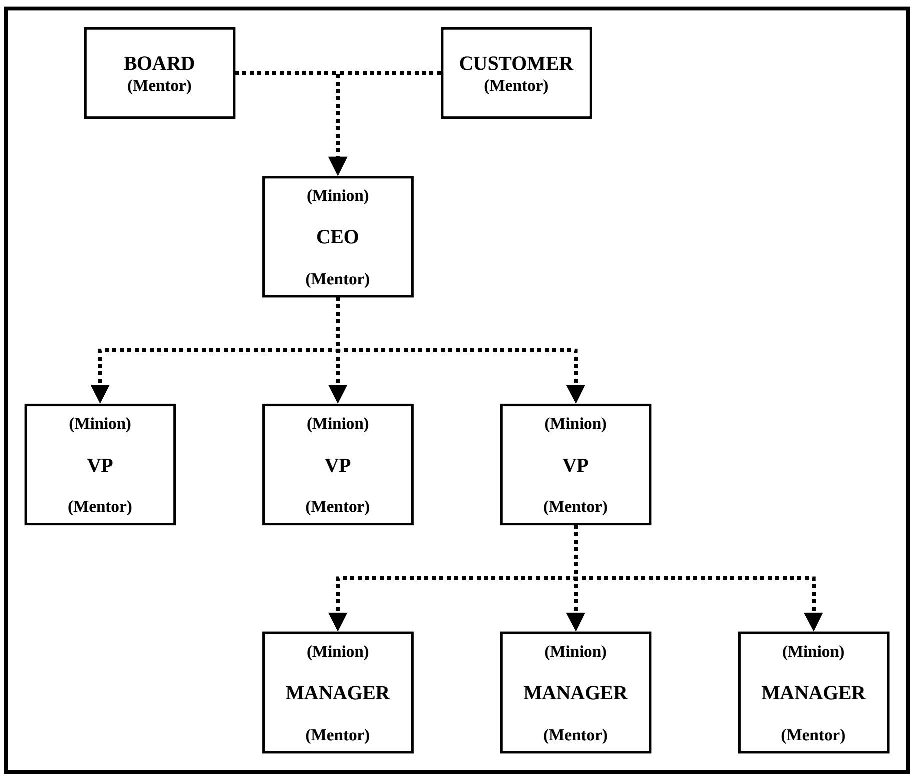
In quadrant 2 we see the appropriate response for a technical professional with a low to medium level-of-readiness. This would typically be a person who has had education or experience with completing tasks of a very similar nature. They need a high degree of detail about the task but they should be encouraged or required to attempt the task with less supervision. As they gain experience and confidence they move to quadrant 3.

In quadrant 3 we see the appropriate response for a technical professional with a medium to high level-of-readiness. This would typically be a person who has reasonable experience with completing tasks of a very similar nature. They only need a small amount of detail about the task but they still need to be encouraged to attempt the task without supervision. As they solidify their experience and confidence they move to quadrant 4.

In quadrant 4 we see the appropriate response for a technical professional with a high level-of-readiness. This would typically be a person who has significant experience completing tasks of a very similar nature. They only need a small amount of detail or encouragement to attempt the task because their major motivators have become success and autonomy.

Unleashing Mentor – Minion Relationships

Since every job requires various skill sets and incorporates different roles, an employee’s level-of-readiness is not a single, homogenous factor. Instead each person will have role-specific levels-of-readiness. In one area they may be high and in another area low. Because of this fact, everyone benefits from healthy “mentor-minion” relationships. As the illustration shows, whether formally declared or informally developed, mentor-minion relationships exist throughout every level of human organizations.



In order to optimize the contributions of your technical professionals, as well as increase your retention rates, it is important to have healthy – and preferably formal – mentor-minion relationships.

The First 100 Days

New employees require a period of orientation and mentoring. Regardless of their experience level, they need time to adapt to their new roles and learn the unique company practices and tools. Prior experience and education, no matter how good, haven’t taught your new hires (or existing staff) everything they need to know to be the most effective possible members of your team.

Successful organizations provide one- to six-week training sessions with internal "certification" to foster growth, and to identify emerging leaders. Using an open-enrollment approach and creating a "hands-on" experience, they use training to reduce the "learning curve" and enable employees to contribute sooner. They also use it to enhance new hires' confidence and job potential so they can deliver more value. Finally, they use it to test the intensity of those looking to change departments and careers.[1]

To enable success, training should be related to performance agreements. Performance agreements must be used and should include:

1. Performance targets
2. Development targets
3. Authority constraints
4. Resource responsibility (i.e., budgets)

Also, the defined career paths offered to technical professionals should include requirements that are used as metrics to evaluate their success and define career advancement options. The metrics for Minions should include:

- Performance of Standard Duties
- Successfully completing Internal Training and Certification programs
- Appropriate contributions to the success of their team and the department
- Appropriate contributions to the success of assigned Projects

Advancement, whether on the technical or managerial career path should include requirements for successful mentoring. Mentoring has to be a required "gate" at some point in the career ladder if you want to build a department that delivers optimum results within reasonable budget constraints. The metrics for Mentors should include:

- Performance of Standard Duties
- Successfully completing Internal Training and Certification programs
- Successfully coaching peer-level new hires
- Successfully leading peer-level Work Groups within a Project
- Successfully leading Project Teams

[1] New hire skills programs need a customized approach tailored to the specific requirements of the job. However, by using 2 – 6 week courses designed as "learning objects" many different jobs can be supported by a curriculum approach The challenge is to decide how the courses should be delivered, what case studies should be included, and how project-type work should be treated. Additionally, it is important to keep class sizes small – ten to fifteen – to insure interaction with instructors who are assessing as well as instructing the participants. Finally, remember to include a mixture of customer-type and department-type challenges in both orientation and technical training sessions.

For technical training the course should flow from more generic skills, like requirements gathering, problem solving and test planning, and then get into more technical skills, like design and development methodologies, and database and front-end development tools. It should finish with case study challenges from the kind of projects they will be facing. It is also good to offer some managerial and professional skills training courses. They can range from project management to problem solving to technical writing to presentation skills. Again case studies should be weaved throughout the courses, and they should include at least one presentation at the end for their managers to see what they learned and are able to do.

Module 5 – Engaging Productivity

The First Year

Moving beyond the first 100 days of orientation, the goal of the first year is to engage truly productive work behaviors. And this is when the culture of the organization begins to influence the commitment level of the technical professional. So we need to ask, "What concrete steps can be taken to make sure the right influence takes place?"

Imagine, you're doing your usual – and typically unnoticed – good job, when a fellow employee or manager brings you a certificate that says, "Thanks for doing such a terrific job!" And on top of the thanks, there's a certificate attached that is redeemable for career apparel, electronic gadgets, sports stuff, movies, dinner for two, or a weekend vacation. How would that effect your productivity?

High-performing organizations average eight or more "recognitions" a year (approximately one every six weeks). But how do they do it – easily and inexpensively?

IS THERE A *PATTERN?*	**LOW**	**AVG.**	**HIGH**
Budget % Spent On Retention	< 2%	3 - 5%	7 - 10%
Recognitions Per Year	< 1	2 - 4	8 - 12
Attrition Rate	20% +	10 - 15%	< 5%

Simplify the Process

First, have a list of <u>categories</u>. They might include:

- Thank You Notes
- Peer Acknowledgments
- Event Participation (Project Celebrations)
- Manager Awards
- Personal Notes from Sr. Management (to the employee and/or spouse)
- Formal Recognition (Quarterly, Semi-Annual and Annual Occasions)

Second, have a list of <u>options</u>. They might include:

- Dinner for Two Certificates
- Flowers or Fruit Baskets
- Career Apparel Certificate
- Pumpkin Carving & Decorating Contest
- Neck Massages – 20-minutes by a licensed professional massage therapist

- Entertainment Outings – Sports, Laser Tag, Nightime Zoo, Wine Tasting
- Family Picnics or Portraits – Certificates or On- or off-site with refreshments
- Perpetual Awards – that get passed around and kept on their desk for a month

Third, have the needed supplies. They might include:

- Certificates
- Greeting and Thank You Cards
- Trophy Order Forms
- Floral and Fruit Basket Order Forms

Fourth, define the approval process. They might include:

- For awards under $25, employee signature up to four times per year
- For awards under $100, work group leader or project manager
- For awards under $250, program manager or department manager

Fifth, have a system to track impact. The system might include:

- Cost tracking system – usually through Accounting
- Benefit tracking system – usually retention, referral and transfer rates through HR

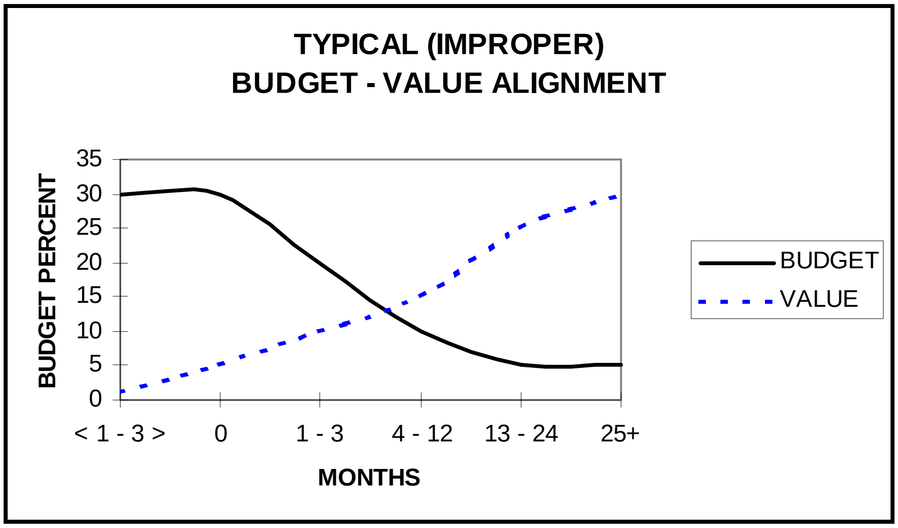
Some simple "best practices" include making arrangements with three local restaurants so the employee can go in, present the certificate, and never see a bill. Or bringing in a licensed professional massage therapist and escorting them from one employee to the next while explaining that you appreciate all the stress they endure.

Great organizations have found they can do all of these things for less than the price of losing one employee – especially a seasoned professional!

Module 6 – Satisfying Growth

During the first year, as the technical professional has engaged in productive work behavior they have been motivated by successes – both small and large. They have mastered an understanding of the organizational culture, the technological landscape, and the business requirements. They have attended some internal training and received some certifications and recognition. They have been satisfied by the improvement in their level-of-readiness. At the same time, a new season in their employee relationship has arrived. They come back to the age-old question, “What is in it for me?”

Successful organizations recognize that for technical professionals the equation, good challenges plus opportunities for personal growth translates into loyalty on the job. In fact, if you're growing in your job, then chances are you're a loyal employee. So as the second year dawns it is incumbent on the organizational culture (or departmental sub-culture) to define career options to pursue satisfying growth that are available for the technical professional.



It is, of course, also where the misalignment of the budget and the employee’s value comes into stark relief. And the saddest part of the whole picture is that the total budget, as a rule, is adequate. It is only the failure to understand why, and when, to spend appropriate funds that is the problem.

Building Blocks of Success

The first building block of success is understanding why technical professionals stay with an organization. Many surveys have shown that four key factors exist. They are:

- Enjoyable Work (which includes access to current technology)
- Career Opportunity and Recognition
- Fair Compensation
- Accessible Leadership

Therefore, the second building block of success is creating a comprehensive retention strategy, and it should include:

- Defined Career Paths or Options
- Easy Access to Information about Opportunities
- Professional Development Tuition
- Dedicated Mentor – Minion Relationships

Individual Growth Plans

Many technical professionals want to get ahead without becoming a manager. Facilitating that kind of growth is not a straight-line event. Instead it often takes on the look of more interesting work and challenges in new technologies. It requires semi-annual reviews with each professional to develop or update an individual growth plan.

The review needs to evaluate questions like:

- What roles are they in now?
- What are the next few projects that they're going to support?
- Are they on a technical or managerial career path?
- Do they want to revise their career goals?
- What additional performance or technical skills do they need?

Another important part of the individual growth plan is including some discretionary funding. Experience has shown that all employees should have $200 a year to spend on their own self-improvement. Your organization will benefit immensely from people who continually improve, learn, and better themselves. You want to encourage them to keep their mind active and enjoy learning – and it should <u>not</u> have to be work related. They should be allowed to use the money to:

- buy software or books, on any subject
- take classes, on anything from bicycling to wine tasting
- acquire a set of self-help tapes, in any genre they like

And they should be able to do so without justification because you want to send a loud message that you value them, that you're interested in their career, and that you support their self improvement. It's a strong message that improves employee retention.

Developing individual growth plans is not as easy as it may sound. These plans are intended to define the <u>movement</u> of key technical professionals from one role to another. Yet they are key technical professionals precisely because they hold the most responsible roles and are difficult to replace. By planning two, three, or four quarters out, however, it can be done, and your key technical professionals will broadcast their satisfaction with being part of the team. And the final result will be an internal reputation for providing a chance to advance and a reputation for being a great place to work! (Both of which are big components of attracting referrals and transfers at little or no cost.)

Module 7 – Planning Career Paths

Making Commitments

Ask any manager if they would like to have their technical professionals be committed to doing the best possible work and committed to staying with the organization and you'll get a loud and unqualified, "YES!" But ask those same managers if they have made a commitment to defining and documenting career paths, or options, for those same professionals and you'll get a quiet, whimpering, "Uh, no."

Career paths are an area commonly overlooked or misunderstood in managing technical professionals. Once an organization has established a relationship with a technical professional – and has invested significant time, effort and money in attracting, hiring, orienting, and engaging them – it would seem like common sense to have defined career paths to discuss with them. However experience has shown that they exist only in organizations that are being led by someone with rare vision and uncommon sense. Yet if we really understand that technical professionals want short-term stability and long-term flexibility, defined career paths are the key to increasing retention rates and employee motivation. So why aren't they established?

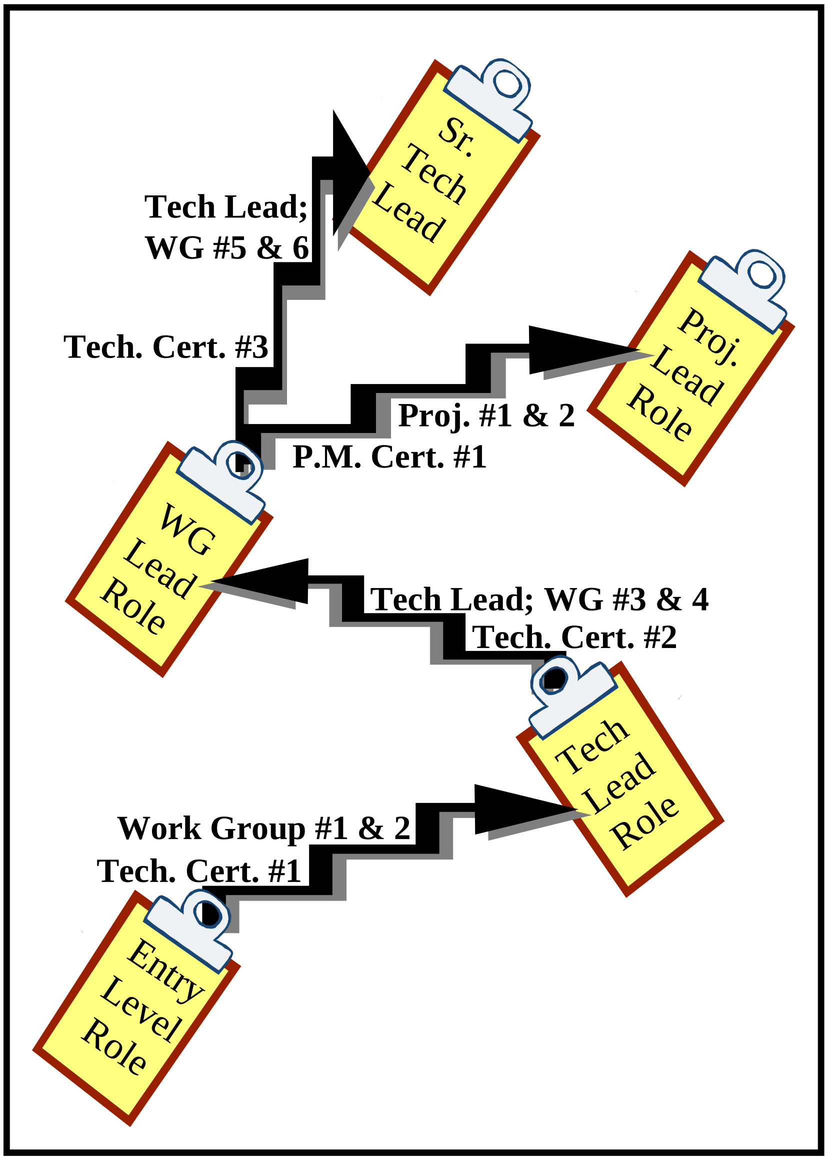
To begin with, many managers just don't recognize the relationship between employee desires and company fulfillment. They also may fail to realize that by beginning career planning discussions in the middle of the second year they build upon personal growth plans. They help the technical professional begin to see a long-term future with enticing flexibility.

Employee Desires	Company Fulfillment
Predictability ↔	Reviews
Training ↔	Mentoring
Visibility ↔	Rewards
Growth ↔	Training
Flexibility ↔	Career Options

What the manager does see clearly, however, is the hard work and mounting confusion that comes with attempting to define career paths.

Options: Technical vs. Managerial

The key to unlocking the mystery of creating career paths is to realize that technical and managerial paths are separate and require different but complimentary skills. It is also helpful to articulate that although they can both be pursued simultaneously at lower career levels, they do eventually become relatively, mutually exclusive at the higher levels.



Unfortunately, there isn't a key to make it easy for the manager to define the career paths. Doing so is old-fashion hard work. It requires setting out the parameters, sometimes called gate criteria, that must be met in order to get on the eligible list for a desired position. Then as opportunities arise those on the eligible list are considered for the task or project based on, among other things, their qualifications and the goals in their personal growth plan.

The qualifications are intended to include successful completion and "certification" of internal (or other) training courses.

In this way, the training opportunities offered by the company become integrated into the personal and career plans of the technical professionals working there.

Career Path Reviews

In order to have defined career paths be perceived by technical professionals as part of the value proposition of their employment, there must be regular reviews. The usual frequency is semi-annual. And even if external circumstances or internal change have limited the outcome forecast at the prior review, discussing it in a timely and appropriate fashion is perceived as a benefit.

Module 8 – Budgeting Success

A recent TechRepublic member-survey asked, "What was the main reason your company hired IT staff who weren't qualified?" The answers were:

Wanted to save money	37%
Shortage of candidates	29%
Has not happened here	20%
Did a poor search	14%

So how can managers hire needed technical professionals and stay within their budget?

Three Strategies

1. Use Your Referral Base

If you've done all the work to provide training, individual growth plans and career paths, you have created a highly desirable place to work…and all of your co-workers know it! They are your referral base, and the first place you should turn. You should hold a job fair, and you should feel confident in doing so!

Since authoritative research makes an interesting presentation and hand-out, and offering competitive salaries is one thing you want to be certain about, make the research one of the benefits of attending the job fair. Some of the better sources for salary data include reports from:

- The Radford Division of Aon Corporation (www.radford.com)
- William M. Mercer (www.mercerhr.com)
- Gartner Group (www.gartner.com)
- Robert Half International (www.roberthalf.com)
- Abbott, Langer and Associates (www.abbott-langer.com)

2. Hire Someone Who Needs Training

Consider hiring someone who needs training, like a current employee who has demonstrated an ability to learn other tasks quickly. Then agree to hire and train them in exchange for a pledge to stay for a specific period. Use a "payroll advance" for training tuition and repay it with an automatic deduction from the "differential" of the new salary. You've stayed within the budget – although your new hire may require more supervision – and the job candidate has been given an opportunity to prove their abilities.

When using this strategy remember that during job interviews, besides asking questions that seek evidence of past performance, you'll want to ask job candidates to propose solutions to reality-based situations. Also consider accessing college placement offices and advertising on the Internet where recent graduates are more likely to be found.

3. Differentiate When Giving Raises and Bonuses

When accepting a new job, salary is typically the number one concern of the new employee. But once they have the new job the attitude towards the salary becomes more of an entitlement that doesn't impact their day-to-day work effort. In order to make sure your staffing plan supports the core business while staying within your budget you must differentiate raises. For example, differentiate with raises between 10 to 15 percent for the top performers, 5 to 8 percent for the middle, and very low numbers for the bottom. Do the same with bonuses, stock options, and other perks.

About the Course Leader:

John Stenbeck is the founder and President of Pareto Principals, Inc., a San Diego based organization that provides expert consulting and training...with an eye on the future! As an internationally published author, business management consultant, and corporate trainer, Mr. Stenbeck has devoted over 25 years to improving the performance of client organizations. He has been instrumental in helping them develop well-grounded, business and information-technology visions that deliver the ability to outflank competitors, deeply penetrate new and existing markets, and set and achieve strategic goals.

He is a member of the faculties of the University of Phoenix and the American Management Association.

A partial list of John's clients includes Visa – Smart Cards, Simplex Solutions, Oracle Corp., Guinness Bass UDV, Lucent Technologies, U.S. Marine Repair, American Gypsum, Eldon, Interex, and Comdex.

His clients look to him for measurable, practical, performance-enhancing solutions to meet real needs.

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