

Don't Just Hire Them—Keep Them

Experts share their job-retention secrets

By Jim McConville

WHEN IT COMES TO THE COST of doing business, keeping a good employee is just as important as finding a great replacement.

Experts say the costs of turnover—finding, hiring and training new employees—can hurt a small business. The meter's running each time an employee leaves and the next search begins.

Each year turnover costs more than \$10,000 per new employee at nearly half of the 200 medium-to-large sized businesses surveyed in 2005 by William M. Mercer Inc., a New York-based human resource and management consulting firm. Industry experts say the real cost of losing a worker is higher for small businesses.

"That \$10,000 might be in lost employee productivity alone," says Henry Schnierer, vice president of Paramus-based Comforce Staffing Services. "There are also additional costs of utilizing a staffing firm to replace that person. That \$10,000 figure might be low-balling the total cost of replacing a lost employee."

Still, employee recruiters say that most small businesses are unaware of turnover's cost. "It's very difficult to make someone in a small business understand that," says Lloyd A. Lippman, president of Career Management International, an East Brunswick-based executive search firm. "Bigger businesses understand ... [b]ut in a small business, people just see it as 'hey, if this one doesn't work out, I'll get somebody else.'"

It may seem counter-intuitive, but the best ways to find good employees haven't changed much over time, say human resource experts. Even with the Internet, which now serves as a giant job-posting board, hiring professionals say the most effective tool for both job hunters and employers remains person-to-person contact.

"What we all need to be doing is networking," says Susan

Retention is far less expensive than rehiring, but few small businesses focus on it.

Ascher, founder and president of the Ascher Group, a Roseland-based executive search firm. "That's a huge way for people to find good employees: through word of mouth."

Before advertising for a new employee, the small-business owner should be clear as to what kind of worker is needed. Then it's essential to convey that precisely in the job description.

"It's really important for small businesses to market their job profile clearly so that they draw the right candidate," say Schnierer.

In interviewing prospective candidates, experts say it's important to be open-minded and to weigh candidates' character, personality and technical skills equally; the search involves more than matching a professional skill set to a résumé.

"A good employee is someone who is enthusiastic, has a high degree of integrity, someone who is smart, and someone who takes initiative or who is driven," Ascher says. "Those five things are paramount over whether they've actually done the job,

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