

ARE YOU HIRING OR RECRUITING FOR YOUR OPERATION?

BY JASON BADER, PRINCIPAL - THE DISTRIBUTION TEAM



THE
DISTRIBUTION
TEAM

One of the most commonly discussed topics at any gathering of small businesses is the hiring and retaining of good employees. We can all agree that strong, loyal employees can really push an organization over the top. Conversely, lackluster employees can drag your business down like an anchor. No one seems to have a magic bullet for this perpetual challenge, but I have noticed that the manner in which certain companies conduct their employee interviews seems to have a bearing on employee longevity. It all boils down to this: Are you hiring for a position or are recruiting a team member?

Like many things we do in life, this question is all about perspective. To the untrained eye, the end result is the same. We have a new person on the payroll. This is where the similarities end. Hiring and recruiting are two very different actions. The difference comes in how we conduct ourselves in the interviewing and screening process.

When we hire for a slot, we tend to think in terms of how the new candidate will benefit the company. We have a need. They are here to fulfill that need. In return for fulfilling that need, we grant them some level of compensation.

Since we are hiring to fulfill a need, we also tend to look at the process as a negotiation. Companies stuck in the hiring mentality will look to get new employees at the lowest possible wage with respect to experience. Again, the prevailing mentality is: What can this person do for me? Companies that follow this philosophy are often unsatisfied with their entry level employees and have a difficult time

moving them up the progression of the company. You can't build a solid bench without a solid foundation.

During the interview process, I often see people asking the person to discuss their past employment and what kind of skills they acquired along the way. The hiring mentality is placing all the emphasis on the candidate to sell themselves to the company. They tend to focus heavily on the resume or a set of pre-scripted questions about historical information. Again, the prevailing notion is that it would be some sort of privilege to come work for our company. Look, I have been to a lot of companies out there and the entry level jobs are nothing too glamorous. Should we really be too surprised when we have to settle for the lower end of the employable pool?

To improve the caliber of the entry level candidate, you must first change your perspective on the new employee process. Recruiting is the antithesis of hiring. A recruiting mentality requires the organization to sell the benefits to a prospective candidate. We tend to do this when we are hiring for upper level positions, but we struggle with bringing this mentality down to the entry level.

In most cases, the entry level position in a distribution company is the warehouse. This is the place where all your money is stored. Why wouldn't you try to get the best and the brightest watching over this asset? I bet if it was real dollars – tens, fifties or hundreds – you would have a different mentality. If you want better results, look at how you conduct the interview process for entry level candidates.

When I was recruiting for my family

business, I spent most of time selling the opportunity. I talked about the culture of the company, the progression in the operation, the benefits we could offer and how this could be a career rather than a job. I asked a few things that popped out on the resume, but it was clearly not the focus of the interview. My goal with every candidate was to have them leave the interview hoping to become part of our company. I am proud to say the many of the entry level people I recruited during that time are still with the company and in key management positions.

The first step toward recruiting has to be review of what you have to offer. I would suggest bringing a few people together to talk about why they like working for the company. Be sure to get a cross section of job levels and responsibilities. Their contributions will help you solidify your value proposition to the candidate. This sounds a lot like what we do for prospective customers, doesn't it? Distributors can sell. It's what they do best. This is just a sales job to a different audience.

Although I had a good run of success by employing the recruiting mentality, I could have taken the process one step further. I have recently been looking at some employee testing and screening programs. These can range from simple questions determining aptitude or the ability to learn or more complex questionnaires helping to uncover personality traits. Used in conjunction with recruiting, a company can help determine the best path for a new employee. I have lost really great inside people because we didn't help foster opportunities beyond the outside sales position. I challenge you to look at

these systems and see how they could augment your process.

Beyond the recruiting process, we need to develop a culture of continual employee development. We need to provide opportunities for our employees to improve both professionally and personally. I have often heard managers complain about investing so much time developing someone and then having them leave the company. They are not indentured servants. They can go elsewhere – even the competition. I was taught early in my career that our job as managers was to have employees leave you better than they came to you. We are responsible for the effort; the end result was up to someone else.

I know that this is not always an easy concept to adopt. Many of us are still stuck in the belief that entry level people are lucky to have a job with us. I want to challenge that notion and state that we are the lucky ones to have them supporting our success. Distribution companies are made up of hard working people who rise to the challenge they are given. It is our responsibility to show them what we can offer.