

Hire Away

How to bring new hands on deck--and keep them there.

By Chris Penttila | Entrepreneur Magazine - June 2007

Mark Sigal was excited about a promising engineer he hired for his [technology](#) startup. But the employee eventually quit, and an exit interview revealed the underlying problem.

"He thought he was signing onto X, but we were giving him Y," says Sigal, 41, now co-founder and CEO of vSocial, a 5-year-old Tempe, Arizona, firm that helps companies manage video clips on their websites.

He's not the only [entrepreneur](#) whose hiring technique has resulted in costly mistakes. The Bureau of Labor Statistics estimates that it costs at least \$14,000 to replace one employee. **"As an entrepreneur, every single hire is critical," says Stephen Fairley, CEO of The Rainmaker Institute, a business coaching firm.**

The good news is that you *can* improve your company's hiring processes by taking certain steps to achieve the following objectives:

Attracting better job candidates: Some tips include starting a referral system that rewards employees for recommending good applicants, watching your industry for impending layoffs and targeting your job announcements, and networking via [business](#) groups and university career development centers.

Conducting better interviews: Sigal remembers talking too much as a less seasoned entrepreneur. "You're spending so much time selling that you're not listening," he says.

List the tasks a new hire will be responsible for, and base your questions on the competencies they'll need to fulfill those responsibilities. Sigal uses a "cheat sheet" that outlines vSocial's funding, customers, needs and challenges. This way, "you're not [starting](#) from scratch in every interview," he says.

You can also have candidates describe how they would put together a project, report, etc., related to the job; have them solve a challenge they'd face every day; and ask them to summarize what they think the job involves. Let other employees interview top candidates, who'll relax around their peers. And be honest about the job so applicants know what they're getting into.

Finding the best fit: You're left with a list of five interviewees who knocked your socks off, but which one is the best fit? Start making your final decision by checking references. Also, compare candidates to someone who excelled in that particular job in the past. Look for someone who can deal with an entrepreneurial

environment and has skills or qualities that you lack. Finally, evaluate what the job will require in a year and who seems most prepared to handle big transitions.

Personality is also a big factor. "You can train for the right skill sets," Fairley says, "but you can't train somebody to be motivated."

Integrating new hires better: "If [new hires] walk into a chaotic environment, they're going to have a very hard time succeeding," Fairley says. In fact, the integration process should start before an employee's first day, says Leslie Kossoff, founder of consulting firm Kossoff Management Consulting. Discuss and set 30-day, 60-day and 90-day goals for new hires, and meet with them daily for the first few weeks. As a welcoming gesture, organize a staff lunch on the employee's first day. It's a good idea to have a new hire shadow a co-worker and attend a staff meeting in every department to understand the big picture of how your company operates. Also, make sure you provide written procedures for repeated tasks and cross-train your staff so new hires can get help if they find themselves in a pinch.

Hiring well is a learned skill, and Sigal has learned from past mistakes. "We're much more thorough in the actual hiring process," he says. And it's paying off: vSocial has grown to 12 employees and projects \$3 million in revenue this year.