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EXECUTIVE
SUMMARY

Excelling at Recruiting and Retaining Skills in High Demand:

The New Key to Productivity, Competitiveness and Growth

A Review of Emerging Practices

Prepared for the Expert Panel on Skills
by Jean-Pascal Souque
Principal Research Associate
Centre for Management Effectiveness
The Conference Board of Canada

April 1999

Canada

Executive Summary
Excelling at Recruiting and Retaining Skills in High Demand
Jean-Pascal Souque, Conference Board of Canada

Purpose of Study

To summarize the North American literature on the factors affecting employers' capacity to recruit and retain employees with skills that are in high demand.

Highlights

A global competition for skills

> The competition for critical skills is becoming global, and in all likelihood will intensify in North America. Obviously much can be learned from organizations that are the best at recruiting and retaining highly skilled employees.

Recruitment methods

> Aggressive recruitment tactics focus on recruiting the "best" – period. Equity and other similar considerations tend to be ignored. Similar aggressive recruitment can be expected to grow in Canada if shortages of particular skills in certain fields should continue to grow.

Strengthening recruitment and retention

> Private and public organizations need to improve their recruiting and retention practices for reasons of productivity, performance and competitiveness. The success of recruiting and retention strategies depends upon their overall integration and alignment with all other existing human resources practices, such as performance management and employee development.

Best practices in recruitment and retention

> Employers, large and smaller, are adopting innovative recruiting practices such as: understanding the aspirations and expectations of new graduates, developing a value proposition, investing in initial training to recruit non-traditional candidates, and creating business-education partnerships that provide a recruiting competitive advantage.

> Employers are also improving their retention abilities by identifying employees at risk and developing effective retention tools. These tools are often compensation-based, and require supervisors and managers to "own" the retention process.

Alleviating obstacles to effective recruitment

- Many barriers to effective recruitment and retention are under the control of organizations: they need to learn to be more creative, embrace networking technologies, create partnerships with education that grow the pool of skilled potential recruits, manage diversity and improve the management of their human resources.

Other obstacles

- A few barriers to the recruitment of people with skills in high demand are caused by the regulation of inter-provincial mobility. These barriers are expected to disappear – or at least be considerably reduced. There may be barriers to the recruitment of highly qualified immigrants caused by ineffective processes regulating access to the labour market.

Limits of research on recruitment and retention

- Research on effective recruitment and retention practices is still underdeveloped. Research tends to focus on strategies of large employers that can mobilize substantial resources. Lessons for smaller employers are less clear, though many best practices are developed and adopted by currently large firms when they were in development stages.

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Réussir à recruter et à retenir les compétences en forte demande :

Un moyen clé d'augmenter la productivité, la compétitivité et la croissance

Un examen des nouvelles pratiques

Préparé pour le Groupe d'experts sur les compétences
par Jean-Pascal Souque
Associé de recherche principal
Centre for Management Effectiveness
The Conference Board of Canada

Avril 1999

Canada

Sommaire
L'excellence du recrutement et du maintien en poste des employés possédant des compétences très recherchées
Jean-Pascal Souque, Conference Board du Canada

Objet de l'étude

Résumer les études nord-américaines relatives aux facteurs qui influent sur la capacité des employeurs de recruter et de garder des employés possédant des compétences très recherchées.

Faits saillants

Une concurrence mondiale pour obtenir des compétences

La concurrence pour l'obtention de compétences cruciales devient mondiale et, selon toutes les probabilités, elle s'intensifiera en Amérique du Nord. De toute évidence, on peut tirer de grandes leçons des organisations qui réussissent le mieux à recruter et à garder des employés hautement qualifiés.

Méthodes de recrutement

Les tactiques de recrutement énergiques visent à recruter les « meilleurs » et rien de moins. L'équité et d'autres facteurs du genre ont tendance à ne pas entrer en ligne de compte. Un recrutement aussi énergique devrait se répandre au Canada si les pénuries de certaines compétences dans certains domaines continuent d'augmenter.

Renforcer le recrutement et le maintien en poste

Les organisations privées et publiques ont besoin d'améliorer leurs pratiques de recrutement et de maintien en poste pour des raisons de productivité, de rendement et de compétitivité. Le succès des stratégies de recrutement et de maintien dépend de leur intégration globale et de leur alignement général avec toutes les autres pratiques existantes en matière de ressources humaines, comme la gestion du rendement et le perfectionnement professionnel.

Pratiques exemplaires de recrutement et de maintien en poste

Les petits et les gros employeurs adoptent des pratiques de recrutement novatrices comme comprendre les aspirations et les attentes des nouveaux diplômés, élaborer une proposition de valeur, investir dans la formation initiale afin de recruter des candidats non traditionnels et créer entre le secteur privé et les établissements d'enseignement des partenariats qui procurent un avantage concurrentiel pour le recrutement.

- Les employeurs accroissent aussi leur capacité de garder leurs employés en repérant les employés à risque et en mettant au point des outils efficaces pour les garder. Ces outils reposent souvent sur la rémunération et exigent que les superviseurs et les gestionnaires soient les maîtres du processus de maintien en poste.

Atténuer les obstacles au recrutement efficace

- De nombreux obstacles à un recrutement et à un maintien efficaces dépendent des organisations : ces dernières doivent apprendre à être plus inventives, adopter des technologies de réseautage, créer avec le secteur de l'enseignement des partenariats qui accroissent le réservoir de recrues éventuelles, gérer la diversité et améliorer la gestion de leurs ressources humaines.

Autres obstacles

- Quelques obstacles au recrutement de personnel possédant des compétences très recherchées dépendent de la réglementation relative à la mobilité interprovinciale. Ces obstacles devraient disparaître – ou tout au moins s'aplanir considérablement. Il peut exister des obstacles au recrutement d'immigrants hautement qualifiés imputables à l'inefficacité des processus régissant l'accès au marché du travail.

Limites de la recherche sur le recrutement et le maintien en poste

- La recherche sur les pratiques efficaces de recrutement et de maintien en poste est encore peu développée. Elle a tendance à se concentrer sur les stratégies des gros employeurs capables de mobiliser des ressources importantes. Les leçons pour les petits employeurs sont moins claires, encore qu'un grand nombre de pratiques exemplaires aient été élaborées et adoptées par les grandes entreprises lorsqu'elles étaient encore en phase de développement.

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Executive Summary

Canada must improve its productivity gap with its Southern neighbour and principal trading partner. Otherwise, we run the very real risk of losing the quality of life which is recognized by international institutions and envied by so many countries. Key to productivity growth is the availability for, and optimization of the skills Canadian private and public organizations need.

That a skills gap exists in Canada is the subject of much debate. On one side, employers' surveys point to a shortage of technical and managerial skills. We also have anecdotal information, as well as economic studies, which indicate that Canada may be losing its best and brightest to the United States[1]. On the other side, statistical data indicate that Canada is still able to attract more intellectual capital from abroad than it loses from emigration[2]. Canada has the best OECD participation rates in higher education, and our University graduates benefit from lower unemployment rates than the rest of the population. Some labour market economists argue that, given time, the balance between supply and demand of skills in high demand will adjust itself[3].

Indeed, one may not accept at face value business and public Canadian employers' claims that the availability of skills is a major issue. However, one must recognize that the growing efforts of U.S. and Canadian companies to re-invent their recruitment and retention practices are a reasonable indication that these employers are facing a significant shortage of critical skills.

What is of critical importance to Canadian organizations, is that since NAFTA, and as the North American economy becomes more integrated, the shortage of skills is becoming more global. Canadian employers face a growing competition for skills, and a number of factors affect their capacity to recruit and retain the employees they need.

If we set aside the whole issue of skills supply, which is dealt with in another report (Education and Training Systems Capacity), and the issue of brain drain (Brain Drain and Brain Gain report), the review of the literature we conducted indicates that factors affecting employers' recruitment and retention capabilities are largely internal to the firm: they concern how employers manage these two functions. External factors, not under the control of the organization, include cyclical or other shifts in demand for goods and services, as well as regulatory practices such as the recognition of the professional qualifications of out-of-province or immigrant workers.

This literature review documents the evolution of two well-known management practices that receive much attention these days from business and government alike: the recruitment and retention of skills in high demand. It explores emerging practices from both highly competitive companies, large and smaller, and non-market organizations.

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[1] *Don De Voretz and Samuel A. Laryea, Canadian Human Capital Transfers: The United States and Beyond, Commentary 115 (Toronto: C.D Howe Institute, 1998)*

[2] *Ivan Fellegi, Chief Statistician, Statistics Canada, Brain Drain or Brain Gain, Presentation to the Association of Universities and Community Colleges, Quebec City, 1998*

[3] *Yves Gingras and Richard Roy, Is There a Skills Gap in Canada, Applied Research Branch, R-98-E (Ottawa: Human Resources Development Canada, October 1998)*

Where existing or planned skills shortages are the most critical, companies become more aggressive in their recruiting practices, sometimes using a terminology inspired by warfare[4]. In a context where the talent pool is not growing at the desired rate, those who cannot develop innovative recruitment practices will not be able to attract the people they need, either at entry level, or at the management level.

Being the best to source and recruit critical skills provides a competitive advantage. One should think that companies that excel in recruitment would be keep their practices secret. The irony is that information on best recruiting practices is readily available. For instance, Cisco Systems, a California-based provider of telecommunications equipment and services, is considered by its peers and other observers of business as the best-in-class in recruiting. However, the literature provides a fairly detailed account of Cisco's practices, and the company's web site is a valuable window on how to attract skilled employees. The problem for competitors is that such information may not be of competitive value to them as Cisco was there first to innovate in this area. Cisco has also a great "value proposition"[5], a culture, and a capacity to execute recruitment and retention strategies that are not easily replicable.

This said, employers can only benefit from a greater understanding of the trends that are shaping the future of recruitment and retention. Emerging recruitment and retention practices are intended to lower the barriers preventing employers from recruiting and retaining employees with skills in high demand.

Emerging recruiting practices include:
- understanding the aspirations and expectations of new graduates
- developing a value proposition
- investing in initial training to recruit non-traditional candidates
- becoming an employer of choice
- Internet recruiting
- campus recruiting and beyond: business-education partnerships that provide a recruiting competitive advantage
- involving employees in recruiting
- customizing compensation
- speed hiring
- leveraging diversity

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[4] See, for example, Elizabeth G. Chambers, Mark Foulon, Helen Handfield-Jones, Steven M. Hankin, And Edward G. Michaels III, *The War for Talent*, The McKinsey Quarterly, 1998 Number 3, pp. 44—57
[5] *"Value proposition" is a marketing concept. It embodies the sum of all the benefits the employee will derive from employment at the firm. Such benefits include compensation, but also a number of arrangements targeted at the lifestyle of the employee, such as day care, flexible work hours and telework. They also include intangibles, such as being associated with an employer of choice, and participating in a "cool" business or organizational culture.*

Information on the best retention techniques are also widely available. But, in order to be effective, companies require superior, integrated human resource management, something that is still hard to achieve among organizations still focussed on the successful practices of the recent past.

Emerging retention practices addressed in this report include:
• compensation-based strategies
• identification and retention of employees at risk
• integration of effort

Recent research done among member companies of The Conference Board of Canada shows that much remains to be done to make Canadian organizations the best they can be in recruiting and retaining the critical skills they need.

The literature review provided little information regarding barriers to recruitment and retention created by regulations concerning interprovincial mobility of accredited professionals. Information acquired from the Interprovincial Agreement on Labour Mobility, the Canadian Council of Technicians and Technologists, and the Canadian Council of Professional Engineers, indicates that provincial regulations put conditions to the interprovincial mobility of trades and professionally certified people.[6] However, the Federal-Provincial-Territorial Forum of Labour-Market Ministers (FLMM) are currently reviewing the existing Agreement on Labour Mobility in order to accelerate the removal of barriers to inter-provincial/territorial mobility. The Ministers have directed FLMM officials to develop a detailed plan with specific time frames to ensure that regulatory bodies and jurisdictions take concrete and immediate steps necessary to secure full compliance with Chapter 7 on the Agreement on Internal Trade. This chapter calls for greater transparency of regulations and practices affecting the mobility of workers between jurisdictions.

Finally, anecdotal evidence exists that highly qualified immigrants experience difficulties entering the workforce at a level corresponding to their qualifications[7].
Key observations and recommendations for future research include:

• Organizations, private and public need to improve their recruiting and retention practices for reasons of productivity, performance and competitiveness.
• Many barriers to recruitment (except the supply of skills) is under the control of organizations: they need to learn to be more creative, embrace networking technologies, create partnerships with education that grow the pool of skilled potential recruits, manage diversity and improve the management of their human resources

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[6] *For instance, the Inter-association Mobility Agreement for Professional Engineers (signed May 1994, revised November 1995) requires any professional engineer registered with a provincial association to have been a registered professional engineer in Canada for a minimum of 5 consecutive years before applying for registration in another province. At the trades level, provincially certified pressure welders who are hired by the oil and gas industry in Alberta, must undergo certification exams in Alberta if their original certification was acquired elsewhere.*

[7] *Lesley Young, Skilled, Educated Immigrants Lost to Survival Jobs, Canadian HR Reporter, March 8, 1998, pp. 1 & 10.*

- There remain few barriers to the recruitment of people with skills in high demand caused by the regulation of inter-provincial mobility. These barriers are expected to disappear - or at least be considerably reduced.
- There may be barriers to the recruitment of highly qualified immigrants caused by ineffective integration systems regulating access to the labour market
- The competition for critical skills is becoming global, and in all likelihood will intensify in North America. Obviously much can be learned from organizations which are the best at recruiting and retaining highly skilled employees. A word of caution, however: aggressive recruitment tactics focus on recruiting the "best" exclusively. In this context, equity considerations may be ignored[8]. This is an issue that may develop in Canada if the shortage of skills in particular areas of the economy should grow.

As we mentioned at the outset, research on barriers to recruitment and retention, and ways to eliminate them has only begun. As we spoke with several managers from the public and private sectors during the writing of this literature review, we learned that employers need much better information on the following topics:

- the needs and aspirations on the new generations of graduates and young employees
- how to improve human resource planning systems, in particular through better information on the labour market and the projected outputs of higher education institutions
- pre-competitive[9] research on best and most innovative human resource practices that source, recruit and retain the skilled people required by employers

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[8] *Dr. John Sullivan, Head and Professor of Human Resource Management, San Francisco State University,
Presentation to the Conference Board's Human Resource Development Centre, Toronto, February 1999*
[9] *Pre-competitive research refers to research projects undertaken by a group or consortium of competitors who
believe that the results of such projects will have a beneficial effect on the whole sector, without providing a
competitive advantage to individual participants in the project. Pre-competitive research arrangements work best
when the most menacing competitor does not belong to the group of participating companies.*

Introduction

This background document was developed at the request of the Advisory Council on Science and Technology's Expert Panel on Skills. It summarizes some of the literature from Canada and the United States on the factors which affect employers' capacity to recruit and retain workers. Throughout the report, various issues are discussed, directly or indirectly, including:

- the image of industry as a whole;
- the perception of "boom and bust" employment cycles in a sector which seriously affect job or employment security;
- the fear that young recruits will be worked to the point of burn-out and then discarded when their skills have been superseded by those of the next "generation"; or
- the reputation of the individual employer as an "employer of choice."

At the same time, this research explores specific available literature on whether interprovincial recruitment difficulties may stem from interprovincial accreditation problems - i.e. rules and regulations of accrediting bodies.

This report is one of a series of 13 analytical studies which will address the following topics:
1. Profiles of industrial sectors and roll-up
2. Education and training systems capacity
3. Training: barriers and incentives
4. Brain drain and brain gain
5. Firm's recruitment and retention strategies (this report)
6. Labour market monitoring systems
7. Existing policy advice, policies and programs
8. Skill pool from post-secondary education
9. Occupational profile of strategic sectors
10. Adult education and training
11. Migration legislation, policies and practices
12. HR practices in innovative firms
13. HR in technopoles

While other reports prepared for the Expert Panel on Skills, such as "Brain Drain or Brain Gain" and "Labour Market Monitoring Systems" will further our understanding of various skills imbalances in the Canadian job market, this report will attempt to illustrate how public and private organizations are responding to the challenges they face in recruiting and retaining the skills they need to meet their objectives. In some ways, this report provides indirect evidence that we are experiencing skills shortages: if there were no shortages, firms would have little incentive to increase the effectiveness of their recruitment and retention practices.

The Conference Board has been researching the issue of the skills gap in Canada[10]. Most of the empirical research consulted addresses the balance between the supply and demand for skills that are in high demand, and draws various conclusions about the impact of imbalances on Canada's competitiveness and growth. The literature is far from conclusive: some argue that there is no reason to believe that, globally, Canada is suffering from a broad-based shortage of skilled labour, while others claim that there is a skills gap caused by the loss of our best and brightest to the United States, and the shortcomings of our higher education system in producing enough graduates with the skills that are in high demand in the job market.

The average unemployment rate in the United States is currently much lower than in Canada. By necessity, U.S. firms, and especially those experiencing higher than average growth, such as information technology or communications, have had to improve their recruiting and retention abilities. As a result, the U.S literature is rich in examples of emerging practices – mostly from the information technology and telecommunication sectors – while the Canadian literature provides fewer cases.

However, the challenges faced by US companies are not substantially different than those their Canadian counterparts are facing now, or will face in the future. First, the growing integration of the North American market means that the search for critical skills is becoming continental, if not global. Canada, with its highly educated population, represents an attractive source of highly qualified employees for our principal trading partner. If our firms seek to keep their competitive edge, they have to become as good as their U.S competitors at recruiting and retaining skilled employees. However, framing this competition as us (Canada) vs. them (United States) may not bear relevance for Canadian multinationals operating in the U.S and for U.S multinationals operating in Canada. In each case, firms will want to recruit, retain and reassign employees on a continental, and even global basis.

Moreover, should the Canadian economy continue to grow, and the unemployment rate fall to 5-6%, we will find ourselves in a very similar situation than that of our neighbours from the South where the demand for skilled employees far outgrows the supply. Again, if Canadian employers fail to becoming the best they can be at recruiting and retaining all the skilled people they need, they will put their competitiveness and growth plans at risk.

In order to meet the requirement of this project, several of articles and reports dealing with factors which affect the employers' capacity to recruit and retain workers were reviewed. The conclusion of this report is that these factors are largely internal. In other words, if employers do not have a direct control on the supply of skills or the mobility of skills, they exercise a considerable control upon their own management practices, including organizing to attract the best candidates and managing them so that they will choose to stay with the organization.

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[10] *See for instance Jean-Pascal Souque, Recruiting and Retaining High Technology Skills in Canada, Members Briefing No. 218-97; and James R. Nininger, Canada's Performance and the Skills Gap Question, Address to Telecon98 Conference, September 1998*

Most of the literature consulted is of anecdotal nature, which should not be surprising. After going through years of workforce reduction, North American employers are now facing the challenges of growth. The transition is unfolding at a rapid pace, and academic research has not yet produced the robust type of data and analyses which would establish correlations or causalities between the introduction of new management practices and their impact. As a result, we will have to rely on sources emanating from professional journals and business organizations, and indicate their limitations whenever appropriate. Examples of innovative practices originate in large companies as well as in and small, fast growing companies. This paper attempts to strike a balance between both, as most Canadian companies belong to the small and medium entreprise segment.

We also attempted to identify the literature on interprovincial recruiting difficulties caused by interprovincial accreditation problems. When looking at the impact of provincial regulations on the mobility of people with skills in high demand, we only found anecdotal evidence of problems. We found more on barriers to recruiting highly qualified immigrants, which prevent employers to benefit from their professional expertise.

Finally, the conclusion of the report will identify key issues and suggest additional research topics for consideration be the panel.

New Challenges in Recruitment and Retention

Recruitment

"...in companies that focus on knowledge-based competition, top management recognizes that it can obtain sustainable competitive advantage by routinely recruiting people who are a little bit more skilled, motivated, or intelligent than the pool their competitors attracts. In essence, they become passionate collectors of people."[1]

The literature indicates that, in our fast-changing world, current recruiting practices are becoming less and less adequate to enable employers to become "passionate collectors of people".

Typically, organizations that need to recruit skilled people go through the following stages:

- if recruiting at entry level, the organization's campus recruiter will be on campus, with many other corporate campus recruiters, fighting for a few candidates meeting all the requirements for employment;
- if recruiting at higher level, a position description, with highly detailed requirements is asked from the line manager. who is very busy taking care of business and may not deliver it on time;
- job advertising is bought from local or national newspapers, most likely in a format that does not differentiate the company, and which is not likely to be read by the ideal candidate who is scanning opportunities on the Internet;
- in some cases a head hunting firm is hired, which may not be thoroughly briefed on the position requirements
- when potential candidates are identified, the selection process usually takes too much of busy managers' and executives' valuable time;
- time is spend ensuring that the process is compliant with equity and similar policies;
- candidates making the short list go through an extensive interviewing process where frequently, they are asked standard questions for which answers are well known ;
- more time is spent checking references, which at best produces valid information about how the candidate performed under different conditions; and
- finally, discussions about the proper compensation levels for the ideal candidate will likely add to the length of the process.

This process usually takes time, and is seldom submitted to performance measures to verify its effectiveness and efficiency. Finding ways to improve the effectiveness and efficiency of each stage of the process will help. However, even an improved process may not be able to find the ideal candidate, either for entry or management level, if this person is:

- a top graduate who was lured by a fast company who identified him/her as top material a long time ago and moved to recruit before anyone else; or

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[1] *Sumantra Goshal and Chris Bartlett, The individualized Corporation, (New York, NY: HarperBusiness, 1997, p. 80*

- an employee who is happy where she/he is, and who is finding out through the Internet or other networks (family, friends, peers or former colleagues) about a challenging opportunity at another company.

Traditional recruiting practices are not likely to help firms to attract and recruit these types of ideal candidates. Traditional recruiting practices work best in a traditional job market. The present job market is undergoing transformation. For instance, new occupations are created, which do not find a ready supply of fully qualified people; new generations of students have different needs and aspirations, and the Internet provides brand new opportunities for job-seekers and recruiters alike. Employers are being challenged to change their recruiting practices.

Retention

"Dilbert speaks the truth (...) On the first day, I got an immediate glimpse of some of the new things in store for me. Not long after I arrived, my manager started to give me a tour of the building. Just a few minutes into the tour, my manager's portable phone rang. It was my boss' boss. I spent the next fifteen minutes standing in the lobby while he was on the phone. That was the end of the tour as we had a meeting to attend. I think not taking the tour was much more illuminating than taking the tour would have been".[12]

In a highly competitive job market, being successful at recruiting is not enough. In a highly competitive job market, firms must be able to retain the skilled people they recruit. A proper orientation program is one of the very first step in ensuring that the recruit will choose to stay with the organization. As the story above demonstrates, there are cases when this very first step is not well executed. More generally, poor human resource management practices are likely to cause employees to leave, and beyond the loss of human capital, organizations face significant costs associated with turnover. For instance, research at the Saratoga Institute shows that the average internal cost of turnover for exempt personnel is between one and two year's pay and benefits.[13]

While noticing that today, most companies experience problems in retaining key employees, some argue that these companies adopted practices that destroyed the loyalty of their employees:

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[12] Andrew Rutz, *An Intern's Report from the Front Line*, ENGINUITY, Spring '98, The University of Calgary, Faculty of Engineering. Andrew was reflecting on his experience as an intern in a Canadian high-technology company. Although his employee orientation did not unfold as planned, Andrew reported that his internship experience was a resounding success. *"Working has changed me for the better by teaching me subtle but important lessons about working with other people, working for someone other than myself, and the feeling of getting a paycheck and knowing that I've earned it."*

[13] Jac Fitz-enz, *It's Costly to Lose Good Employees*, in Charlene Marmer Solomon, *Keep Them! Don't let Your Best People Get Away*, Workforce, August 1997, pp.46-52

"In a world that has been, in the West at least, dominated by downsizing and restructuring for the last decade, few companies have put people first, or even second or third in their list of priorities. Worse still, as we are just discovering, many of these so-called corporate cutbacks were anything but well managed. Good performers found themselves jobless alongside poor performers as whole layers or divisions closed without much thought about the longer-term consequences. Those left behind found themselves doing two or even three people's jobs. The result was that employees experienced considerable stress, loyalty to the firm collapsed and discontent thrived. Now, in both new knowledge-based businesses and more traditional firms, there is little loyalty to the corporation. Talented people will leave to follow a new technology or to be with the team manager they admire. Mobility among younger executives has never been greater."[14]

The firms which went through years of downsizing, developed a human resource (HR) management culture consistent with this strategy. HR became very adept at change management, which has traditionally been about surviving cuts, de-layering, and embracing new sets of priorities and processes. Meanwhile, a new employment contract surfaced: employees should not expect a long-term commitment from their employer, but rather a commitment to developing their employability skills. This new contract is reflected in the literature through references to employees as "free agents", or "units of one." [15] The problem is that when growth recurs and critical skills become a precious commodity, it becomes hard to shift a managerial culture from the reduction of the workforce to being obsessed with recruiting and retention.

Several management practices have an impact on retention, the most critical one being the quality of the supervision of employees. It has been said that people do not leave their company, they leave their supervisor. Unfortunately, when faced with retention problems, too many firms, especially in the information technology sector, fail to recognize that poor management practices play a key role. A recent survey of high technology employers reported that in their opinion[16], the most significant reasons for turnover at their companies were:

- other companies in the industry offer better salaries (3.04)
- raiding by other companies (2.69)
- lack of advancement opportunities (2.31)
- few opportunities for career development (2.29)
- other industries offer better salaries (2.24)
- competitors offer better non-salary compensation (e.g. stock options)(2.22)

[14] Mike Johnson, Building and retaining global talent: towards 2002, The Economist Intelligence Unit, London U.K, May 18th 1998, p.9

[15] See, for instance: Tom Peters, A Brand Called ', .t, Fast Company, August-September 1997, pp. 83-94, and Daniel H. Pink, Free Agent Nation, Fast Company, December 1997-January 1998, pp.131-147.

[16] Results of the Survey on Human Resource Issues in the Information Technology Industry, Information and Communications Technologies Branch, Industry Canada, February 1998, p.16. The question was: To what extent do any of the following factors contribute to difficulties in retaining highly-skilled workers? - mean score on a scale of 1 to 5, where 1 is "not at all" and 5 is "a great deal"

These results are representative of the high-tech employers' perception of turnover reported in similar studies[17]. Unfortunately this perception conflicts with the employees' view of what causes turnover.

Another survey, this time of employees in the high technology sector, provided the following results[18]:

* most high tech employees are not happy with their current jobs because of limited career opportunities and bad management;
* 73% of respondents were at best indifferent to their jobs with only 27% saying they were satisfied;
* about 70% of workers younger than 29 will leave their current firm within two years because they are unhappy with their managers and career prospects;
* respondents listed salary as the sixth most important factor in selecting current employer, behind the challenge of a job, exposure to new technology, career opportunities, work environment, and on-the-job training; and
* the quality of life in a particular community is a powerful factor in attracting and retaining high technology workers.

Recent data indicate that, at a more global level, the employer mind set seems to be evolving. A 1998 survey conducted by the Conference Board Inc. of 114 senior human resource executives in major corporations (two-thirds of which were U.S.-based) indicate that non-competitive compensation is ranked fifth as a reason of turnover after (in order) uncertain work environment (due to mergers and/or acquisitions or downsizing), limited career opportunities, insufficient attention to non-monetary rewards/recognition, and a tight labour market.[19]

Leading companies are realizing that the professional challenges they provide and the quality of their human resource management are more critical determinants of their ability to attract and keep highly qualified people than money. One key learning from the from the above mentioned surveys is that it is unproductive to hire the best and the brightest and have them supervised by poor managers. Again, traditional human resource management practices are not going to help retaining the skilled employees organizations need.

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[17] *For instance, on June 4, 1998, Computerworld Daily Briefs reported the results of a survey of U.S high technology employers conducted by William M. Mercer Inc. and the Pittsburgh High Technology Council. According to respondents, the most significant reasons for turnover at their companies were the following:*
aggressive hiring practices of competitors (cited by 54% of participants);
dissatisfaction with income (49%);
dissatisfaction with career opportunities (46%);
dissatisfaction with management practices (41%);
employees' dissatisfaction with their work or projects (34%); and
a feeling that the organization lacks direction (22%).
[18] *High Tech Labour Survey: Attracting and Retaining High-Tech Workers, KPMG/CATA Alliance, June 5, 1998 (this survey was conducted over the Internet and attracted over 1,200 respondents in advanced technology sectors from Canada, the U.S., and several other countries)*
[19] *Helen Axel, Strategies for Retaining Critical Talent, HR Executive Review, Vol. 6, No 2, The Conference Board Inc., 1998, p.6.*

Emerging Recruitment Practices

As the preceding section demonstrates, present recruitment and retention practices are likely to be inadequate for companies seeking to hire and keep employees with skills in high demand. The following section reports on the some emerging recruiting practices which are reported in the current literature

Understand the aspirations and expectations of new graduates

Demographics are changing the workplace. It is critical that managers in all sectors of the economy understand well the unique characteristics of each age cohort from which they plan to recruit from. Only then will they be able to design recruitment strategies that reflect the needs and expectations of candidates. Two Canadian organizations, the Public Service Commission of the Federal Government,[20] and the Royal Bank[21] conducted major research projects regarding respectively the present generation of university graduates and the 18-34 year-old (Nexus) generation. On a smaller scale, Personnel Systems and National Public Relations, two consulting companies, conducted a voluntary, on-line survey among computer science and engineering students from across the country.[22]

These types of surveys allow us to better understand, for instance, the role of technology in shaping the culture of a generation in general, and the role of the Internet in the job search in particular.

For instance, the Royal Bank/d˜code/Angus Reid study[23] revealed that members of the Nexus generation are generally confident in their ability to "decode" the media and assimilate information from a variety of sources: television, magazines, newspapers, radio and the Internet. This reality, coupled with Nexus need for variety, innovation and authenticity, pose challenges for those seeking to connect through marketing - including recruiters.

New technology was the Nexus generation's babysitter. This generation does not fear technological change: 81% of those under 24 are computer literate; 62% of Internet users are 18-34. The Public Service Commission study reported that job search through the Internet was the strategy of choice for students exploring the job market. Nearly 97% of the respondents had access to the Internet, and 85% of students who accessed the Internet more than once a day indicated they would use it for job searches.[24]
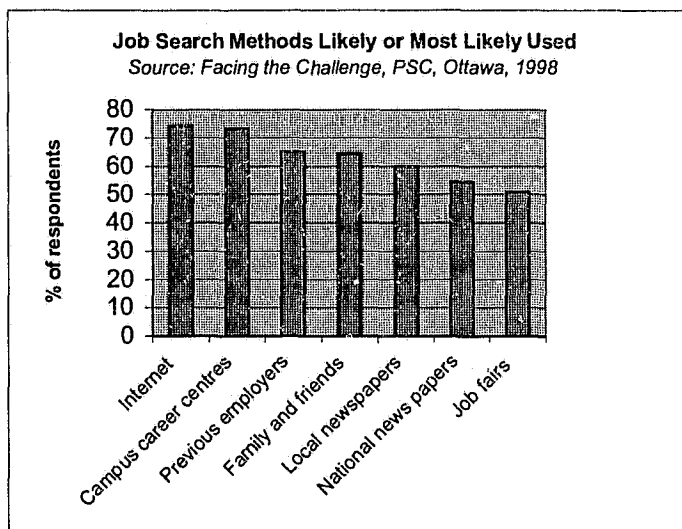
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[20] *Jennifer L. Smith and Susan Snider, Facing the Challenge: Recruiting the Next Generation of University Graduates to the Public Service, The Public Policy Forum/The Public Service Commission of Canada, Ottawa, 1998. Also available on the Internet at http://www.psc-cfp-gc.ca*

[21] *Robert Barnard, Dave Cosgrave and Jennifer Welsh, Chips and Pop: Decoding the Nexus Generation, (Toronto: Malcolm Lester Books, 1998). See in particular pp.181-207. The project objectives were: to provide Royal Bank with insights on the 18-34 year-old generation; and to provide creative and practical strategies to help Royal Bank to attract the best and the brightest from this generation.*

[22] *Today's Technology Graduate: Mobile, In Demand & Demanding!, Personnel Systems, 1999. See http://www.perssyst.com*

[23] *Robert Barnard, Dave Cosgrave and Jennifer Welsh, op.cit.*

[24] *Jennifer L. Smith and Susan Snider, op. cit., p. 47*

Job Search Methods Likely or Most Likely Used
Source: Facing the Challenge, PSC, Ottawa, 1998

These studies mentioned above also help recruiters in understanding the expectations of younger people regarding the workplace. As Exhibit 1 demonstrate, they seek interesting work which will help them develop, continue to learn, and grow.

Exhibit 1
Top Seven Job-related Factors Ranked as Very Important/Important
1. Work which is interesting
2. Ability to use skills/expertise appropriately
3. Opportunity to work in my field of study
4. Access to training and development opportunities
5. Opportunities for promotion
6. Opportunities to develop marketable skills
7. Competitive salary or compensation
Source: Public Service Commission, Facing the Challenge. p. 35

Develop a Value Proposition

Recruiting is a marketing function: employers have to be successful at marketing their workplace so that people with sought-after skills come and work for them instead of the competition. Determining an employee value proposition requires that the Human Resources and Marketing divisions work together as a team to find out how the organization chooses to be competitive in attracting and retaining employees.

John Sullivan, Professor of Human Resources at the State University of San Francisco studied collaboration between "HR" and "Marketing" and found out that when human resources professionals do not work closely with marketing and sales, it is mostly due to their insufficient knowledge of the business and its customers. Also, according to Sullivan, too many recruiters treat recruiting as "an art", while marketing specialists rely on data and sophisticated research to make decisions. As a result, Sullivan says, "many recruiting professionals fail to grasp that recruiting is a form of marketing and sales. Locating the best candidates from around the world now requires a sophisticated marketing plan, when before the only question was "how big should the ad be in the newspaper"? Recruiting needs to learn from marketing about how to use focus groups, how to do "customer/candidate" profiles and use other marketing research tools to better identify where to find the perfect candidate."[25]

Sun Microsystems, a California-based information technology firm, is one company that does foster collaboration between HR and Marketing. In 1997, Sun developed SunART: Sun Attraction and Retention Technology, a systematic approach to answer several key questions:

- What do employees/candidates value in making employment decisions?
- How competitive is Sun as an employer?
- What should Sun offer to enhance its employee value proposition?

Sun Microsystems' model is a good example of value proposition design (Exhibit 2).[26]

Investing in Initial Training to Recruit Non-Traditional Candidates

Exploring how business responds to the shortage of critical natural resources provides insights in designing responses to the shortage of critical skills. When a natural resource, such as a strategic metal, becomes scarce, firms are likely to take three actions: invest in exploration to grow the reserves; conserve the resource (recycle, reduce waste, etc) to optimize the existing quantities; and invest in R&D to find alternatives so as not to depend on a diminishing resource.

This model can be applied to human resources management. For instance, as skills shortages are more critical in the IT industry, could industry find alternatives to IT graduates? Could non-IT graduates form a source of talent for this sector?

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[25] *John Sullivan, Don't Isolate your Employment Function: Coordinate your Recruiting and Marketing Efforts, The Recruiters Tool Kit, San Francisco State University, 1999. Contact: johns@sfsu.edu*
[26] *A recent conversation with Dean Chabrier indicates that creativity, logic and common sense were key in the design, acceptation and implementation of the value proposition approach. Sun Microsystems has not yet been able to quantify the impact of the value proposition on recruitment and retention. However, the firm's approach to recruitment and retention is widely recognized in the industry as an exemplary approach.*

Exhibit 2				
Attracting and Retaining Employees at Sun				
Attraction & Retention Features	Employee Criteria		Sun Employee value proposition	Possible Employer Offerings
Possible company features that candidates or employees consider when making join/stay decisions	The set of features candidates or employees value and use in making join/stay decisions	Extent to which the company's value proposition fulfil employee criteria ▼	The set of offerings Sun selects to create its value proposition for candidates or employees	Possible offerings designed to attract prospective candidates and retain employees
Examples: • Work challenge • "Fun" culture • Financial opportunity • Other...	Feature 1 Feature 2 Feature 3	⟷ Join/Stay Decision	Value A Value B Value C	Examples: • Flexible work options • Stock options • Mentoring programs • High salaries • Other...
Source: Dean Chabrier, Director, Human Resources, Sun Microsystems, Presentation to Conference Board of Canada, September 1998, Philadelphia, PA.				

Cisco Systems has developed a 14-18 month apprenticeship program which consists of a series of assignments in the Information Services Technical Response Centre, and in other areas of Information Services. The programme is targeted at recent university graduates. Interestingly enough, the required education and skills include B.A. or B.Sc in business, science, economics or liberal arts. In other words, applicants do not need to have an engineering degree to start a career at Cisco. Requirements for apprenticeship also include "soft" skills, such as: excellent communication skills, excellent analytical and organizational skills, and demonstrated ability to follow through on commitments[27]. Exhibit 3 (taken from Cisco's web site) summarizes the requirements of the program and the benefits participants would derive from it.

Such programmes are based on the observation that many jobs in the IT industry do not require advanced mathematics or computing and they assume that it is easier to impart technical skills than the hard-to-develop and broader employability skills.

In Montreal, the DMR Consulting Group (an Amdahl IT consulting firm) has designed a recruitment strategy that offers a two-year training program for entry level consultants around the globe. This program targets individuals with less than two years' experience, and involves a combination of formal training held at DMR's training campus near Montreal, and on-the-job training on assignments in the field. An assigned career manager works with recruits to develop their personal career path and the plan to achieve it. Every six months for the first two years, a performance evaluation is prepared by the recruit's career manager and project manager[28].

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[27] See Cisco's recruiting site: http://www.cisco.com/college/TAP/
[28] Dr. Louis Garceau, Director DMR Institute, presentation to the Conference Board's Human Resource Development Centre, Montreal, February, 1998. See also http://edisonweb.dmr.com/careers/frame_canadae.html

Exhibit 3

Cisco's Apprenticeship Program: Requirements and Intangible Benefits

Apprentice Program Requirements

- The Apprentice Program is looking for bright folks with a minimum Bachelors degree, but with the maturity and wisdom beyond their years. Our program is geared toward providing a transition into IS and, among the majors that succeed in TAP, are Education, Business Administration, Biology (Molecular), Liberal Arts, Economics and even science fields like Environmental and Manufacturing Engineering.
- Besides the degree, you have to have all of the normal stuff: excellent GPA, involvement with interesting activities which demonstrate your initiative, and a strong interest in technology.

Apprentice Intangibles

- Learn to give and take constructive criticism- after all, we are all learning and are at widely differing stages of development.
- Work and play with your team- you've got to navigate your way through this new universe with them!
- Have a healthy appetite for success.
- Recognize that this is an opportunity to get in on the ground floor on a company that does not typically hire on the ground floor.

Source: ` http://www.cisco.com/college/TAP/

Like Cisco Systems, DMR is targeting non-IT graduates[29]. The requirements are:
- Bachelor's or College degree
- Computer literacy
- Ambitious, energetic, and enthusiastic individuals
- A strong motivation to improve one's skills, expand one's knowledge and further one's career
- The ability to work well both in a team environment and individually
- Strong communication and interpersonal skills

The DMR approach does offer an edge for those with:
- Fluency in either English or French
- A post-graduate degree, IT related education focus, relevant work experience, and/or knowledge of programming, analysis, design, or development.

Cisco and DMR provide interesting examples of recruiting strategies that help grow the skilled pool required by the Information Technology sector.[30]

Become an employer of choice

An employer is recognized as an employer of choice when it is the first choice (or at least on the short list) of highly skilled candidates. Employers of choice typically present the following features[31]:
- a recognized and esteemed "brand"
- listed in the "best places to work" in national and international surveys
- acknowledged as providing employees with such features as superior technology, exciting projects, on-going challenges, a passion for development, great working conditions and superior human resource management practices
- actively involved in the community through business-education partnerships, donations and volunteering

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[29] *The training and development of new recruits is organized in four stages:*
    The first stage takes place at DMR's training facility located at Fort St. Jean near Montreal. This six-week training session focus on two main areas: knowledge of the business and technical training
    Then, the recruit returns to his/her home office to work on various assignments for a 12 to 15 month period, as part of a team, and continues to work with the career manager to develop a career plan.
    The third step is designed to help recruits move to the next stage of development in their career. They return to the Fort St. Jean facility for an additional two week technical training session that focus on an area of specialization based on the recruit's career path, regional requirements, and individual learning plan.
    In this final phase recruits return to the field and continue to work on various projects. At the completion of the formal training program their career manager and project manager prepare and conduct their final evaluation.
[30] *See other examples in Kim Riser, Move Over, Nerds: A diverse cast of career changers is being retrained to fill a growing number of computer jobs, Training, January 1999, pp. 54-58; and in Charlene Marmer Solomon, Stellar Recruiting for a Tight Labor Market, Worforce, August 1998, Vol. 77, No. 8, pp. 66-71.*
[31] *Jean-Pascal Souque, Recruiting and Retaining High Technology Skills in Canada: A Business View, Members Briefing No. 218-97, The Conference Board of Canada, see also Shari Caudron, Be Cool! Cultivating a Cool Culture Gives HR a Staffing Boost, Workforce, April 1998, Vol. 77, No. 4, pp. 50-61. According to Caudron, "cool" companies are those that attract and retain the right employees in the new economy. These companies demonstrate the following characteristics: respect for work/life balance, a sense of purpose, diversity, integrity, participatory management and learning environment.*

- usually highly profitable

It takes time to become an employer of choice and attract the highly skilled employees the organization needs. Some companies prefer to take a different approach. For instance, many IT firms use the "buy and burn" approach to managing their knowledge workers[32] They want only people who will be immersed in the business, live, breathe and give themselves to the cause. Their motto could be "We own your body and soul, and we will make you rich. "

Bob Hebert, President of the Stone Wood Group, a Toronto-based recruitment firm specialized in IT senior managers, argues that this "corporate cocaine" that allows the firm to circumvent the proper management of knowledge workers is flawed. His observations of the culture of the software industry in Canada lead him to the conclusion that "there is considerable competitive advantage still to be had by pursuing the notion of becoming an employer of choice."[33]

Being an employer of choice has some disadvantages, such as being the favourite target of head-hunters. Employers of choice, because they are successful in recruiting highly skilled people, may run the risk of becoming complacent in the management of their critical skills. In attempting to become successful at recruiting and retaining, companies should benefit from benchmarking their practices against employers of choice.

Internet recruiting

The International Business Network (IBN) released the 1997 Electronic Recruiting Index early in 1998. The study showed the Web offering[34]:
- 1 million resumes
- 1.2 million jobs
- 3500 employment Web sites, and
- 5800 firms recruiting employees

Many companies that traditionally used newspaper advertisements as recruitment tools are switching to, or also using the Internet for recruitment purposes. Web-based advertising enables companies to deliver full text, graphics, photographs and even videos about the company - thus heightening the company's ability to be visually persuasive. Also, a web-based ad allows companies to better target their audience, relative to a newspaper ad.

For instance, Cisco Systems uses a website with a path inviting visitors to "make friends @ Cisco", and gets its employees directly involved in the recruitment process. Once the path is selected, the user is "swept into the company's recruiting pipeline". In 1996, Cisco hired on average 1,000 people every 3 months and still had hundreds of jobs it could not fill.[35]

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[32] *Norman Matloff, Debunking the Myth of a Desperate Software Labor Shortage, http://heather.cs.ucdavis.edu/itaa*
"Buy and Burn" means attracting highly qualified individuals, using their technical inclination and enthusiasm to make them work very long hours, and letting them go as soon as their motivation/creativity/stamina decreases.
[33] *Bob Hebert, President, The Stone Wood Group, presentation to the Conference Board's Human Resource Development Centre, Ottawa, November 1998.*
[34] *Newsbytes, "Recruitment and Employment Thrive on the Web, February 3, 1997*
[35] *Bill Birchard, Hire Great People Fast, Fast Company, Issue 10, August -September 1997, p. 138*

Recruiters know that many of the best performers have little time to update their résumés. Also, résumés come in all shapes and sizes. Some companies have discovered that an efficient way to deal with resumes is to use web-based resume "builders" that help candidates provide the key information the employer needs, in a structured, consistent fashion. Another way is to use web-based profilers that invite candidates to respond to an interactive questionnaire focussed on the competencies and experience sought by the employer.

Companies such as Nortel Networks and Texas Instruments (TI) use a series of recruitment tools, delivered and administered over the Internet. The intent of these tools is to help candidates quickly assess themselves professionally and personally, introduce them to the company's culture, promote its best attributes, and assist with career planning. At TI, potential candidates visit "Fit Check", where they conduct a self-assessment, responding to 32 questions about their work preferences. At the end, the computer displays the candidate's relative compatibility with the company.[36] Nortel also provides potential recruits with a number of opportunities to assess their interest and compatibility with the company culture.[37]

Many organizations that use the Internet for recruitment purposes, also use the Intranet - an internal electronic cyberspace where job postings are often first listed. This recruitment method provides existing employees with a first look at listed positions. Employees are encouraged to recommend friends and family members, prior to the notice going public. This strategy may also improve the organization's retention rate. For example, NetStart Inc.[38], a high-technology company located in the United States, recently released a human resources management software tool called "TeamBuilder 2.0", which is intended to help automate the HR recruitment process externally and internally. Through this technology, resumes received can be automatically routed to the appropriate hiring managers and team members, enabling them to score potential job applicants. Axent Technologies, a U.S. database security software company attributes an estimated savings of $50,000 in recruitment costs to the implementation of the TeamBuilder software.[39]

The Internet is rapidly emerging as the recruiting medium of choice[40]. Contrary to popular opinion, the Internet has a far-reaching and diverse reach. For example, the Public Service Commission study cited earlier found that nearly 97% of respondents had access to the Internet[41]. Moreover, the Internet community today is a rapidly diversifying one, and the larger it gets, the more it will mirror the general population in gender, ethnic, education and age attributes. The PSC study found that there were no discernible differences in terms of access to the Internet based on gender, language, academic achievement or those individuals designated as visible minorities[42].

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[36] *The on-line version of these tools can be viewed by visiting the TI website, www.ti.com, under "Employment". Cisco also uses profilers.*

[37] *http://nortelnetworks.com/careers/*

[38] *http://www.netstartinc.com/*

[39] *InfoWorld, " NetStart to Help Automate HR Recruitment Process", July 7, 1997, p.32.*

[40] *For more information on internet recruiting, visit www.recruitersnetwork.com; www.virtualcoach.com, and www.interbiznet.com. Best web sites for firms include Cisco, www.cisco.com, Silicon Graphics, www.sgi.com and Hewlett Packard, www.hp.com*

[41] *Jennifer Smith and Susan Snider, op. cit., p. 47*

[42] *Jennifer Smith and Susan Snider, ibid.*

Campus Recruiting and Beyond: Business-Education Partnerships that Provide a Recruiting Competitive Advantage

Recruiting employees with critical skills requires an aggressive presence on campus. Most of the time, only large companies can afford to do so, and the practice is hardly an emerging one. What we are seeing is the growth of business-higher education partnerships that increase students' employability through the development of skills, technical and otherwise, at all levels of education. Co-op education is one of the most effective partnership programs: A 350 per cent increase in co-operative education enrolments over the past 20 years is one of the most significant changes in post-secondary education in Canada. In 1996, more than 61,000 students at 112 universities, colleges and institutes acquired workplace experience through co-operative education placements that made their learning more relevant.[43]

Companies such as Syncrude Canada and 3M, view partnership programs as a primary source of qualified candidates for regular employment. According to these two companies, student programs, which include co-op, apprenticeship, and summer internships, represents the best method available for early identification of qualified candidates[44].

Although large companies have been involved in co-op programs for quite a while, more and more small companies are entering partnerships with local high schools and colleges. The nature of partnership seems to be changing from demonstrating good corporate citizenship to employability enhancing programs, with an increased focus on job-specific learning and experience[45]. A recent U.S. survey found that a significant proportion of small and medium-sized companies were involved in some form of co-op programs (Exhibit 4). In Canada, small and medium-sized businesses form a large proportion of award-winning business-education partnerships.[46]

Exhibit 4	
Percentage of employers participating in school-to work partnerships, by company size	
Number of employees	Percentage of companies
20-49	24%
50-99	24%
100-249	33%

[43] *The Conference Board of Canada, Performance and Potential 1998,pp. 103-104 (Ottawa: The Conference Board 1998).*
[44] *Syncrude: Interview with Ted Seaman, Vice President, Human Resources; 3M: Hiring Innovators, Corporate brochure, date unknown.*
[45] *Christopher Caggiano, Beyond Campus Recruiting: Partnership with schools can yield skilled job candidates, Inc., April 1998, p. 115*
[46] *The Conference Board of Canada: 1998 Idea Book - 100 Best Business-Education Partnerships (Ottawa: The Conference Board, 1998). Available at: http://www2.conferenceboard.ca/nbec/pubs.htm*

250-999	42%
1,000 and more	60%
Overall	26%

Source: A 1997 survey of 6,791 private companies with 20 or more employees conducted by the National Centre for Post-secondary Improvement and the Consortium for Policy Research in Education (U.S.), reported in Christopher Caggiano, *Beyond Campus Recruiting: Partnership with schools can yield skilled job candidates*, Inc., April 1998, p. 115

Should skills-oriented partnerships involve elementary education? Research conducted by the Conference Board indicates that technology-intensive companies which are considered as employer of choice begin to invest early in the education of students. For example, in Montreal, Merck Frosst has dedicated a full-time position to foster scientific literacy among youth. With the goal of better alignment of school curriculums and programs with the needs of businesses and communities, the organization has also built a large regional science alliance of representatives from these stakeholder groups. The organization also funds summer science programs for elementary school teachers, and involves its employees and their children in informal science education.[47] Although considered a long-shot strategy by conventional business wisdom, it is one that does provide very tangible short- and medium-term benefits. By working with students "upstream", organizations experience benefits such as increased employee morale and higher retention rates, since employees clearly see the depth of the organizations' commitment to science, technology, research and youth.[48]

Innovative business-education partnership do increase the supply of specialized skills business need to grow and facilitate recruitment. For instance, Noranda worked with school boards and education authorities to fast track the technical training of about 200 employees the firm needs to implement its Magnola project in Quebec[49]. In the Ottawa area, large business-education partnerships at the regional level ensure a better supply of qualified people for the IT industry. In 1996, Mitel Corporation launched O-Vitesse (Ottawa Carleton Venture in Training Engineers and Scientists in Software Engineering) with the National Research Council and the two Ottawa-area universities. Mitel provides a work-term salary of up to $20K to help fast-track undergraduates with science and engineering degrees through a 16-month program leading to a certificate in software engineering. Many other Canadian companies are involved in co-op and internship programs that help connect them with potential highly qualified employees.

Wider business-education-government partnerships allow high-technology communities to develop pre-competitive strategies designed to increase the overall attraction and retention capability of the region they do business in. These strategies, which involve small, medium and large companies, leverage partnerships to improve the community's quality of life, develop the supply of high-technology specialists, and foster strategic business alliances.[50]

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[47] *Jean-Pascal Souque, Recruiting and Retaining High Technology Skills in Canada: A Business View, Members Briefing No. 218-97, The Conference Board of Canada*

[48] *Penny Brady and Douglas Watt, Benefits of Employee Involvement in Business-Education Partnerships. (Ottawa: The Conference Board of Canada, May 1998).*

[49] *Interview with Yves Pominville, Noranda.*

[50] *See, for instance, the Ottawa Centre for Research and Innovation's Software Resource Initiative and other collaborative projects at http://ocri.ca.*

Involving employees in recruiting

Employee referral systems are generally considered as effective recruiting tools. According to John Sullivan, the very best firms get more than 50% of their hires from employee referrals. Moreover, while agency referrals often have the highest turnover rate of all hires, Sullivan argues, employee referrals have the longest tenure and highest satisfaction rate of all hires.[51]

Cisco Systems (US) uses referrals as a critical part of its recruiting strategy. The company offers employees $1,000 every time it hires someone they referred.[52] Similarly, Belk Stores, the largest privately owned department store chain in the U.S., offers a $1,000 referral bonus for an employee who recommends a new Information Systems hire.[53]

The amount of referral bonuses vary a great deal. Sullivan argues that bonus amounts should reflect the importance of the position and the difficulty to fill it. Bonuses should be high enough to get the attention of employees but not so high as to distract them from their primary responsibility. When employee referral in ingrained in corporate culture, as is the case for Hewlett Packard, no bonuses are offered. At the other end of the spectrum, some firms, such as Adobe or Sun have been known to exceed US$5,000 for certain jobs.[54]

Small, fast growing companies find employee referral a cost-effective way to recruit the skilled people they need. A typical case, for example, is I-Cube, a U.S.-based switching devices design and manufacturing firm which had 48 employees in 1998, and needed to hire highly qualified employees to meet high sales growth rates (1996: 135 per cent; 1997: 320 per cent; 1998: 880 per cent)[55].

Compensation and Recruiting

A recent on-line survey of Canadian computer science and engineering students conducted in 1998 indicates that salary continues to rank near the top of students' concerns, driven in part by an increasing student debt burden. However, salary is not the most important factor in students' decisions to join a particular company. According to the study: "technology, opportunity, personal and professional growth and the work environment are today's key components that the latest computer science and engineering grads are expecting in a job, in an employer and in a career."[56]

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[51] John Sullivan, *The Recruitment Tool Kit, State University of San Francisco*

[52] *Fast Company, Issue 10, "How Cisco Make Friends", p. 138.*

[53] *Computerworld, "Defending their turf", September 15 1997, p.90*

[54] *John Sullivan, presentation to the Conference Board's Human Resource Development Centre, Toronto, February 15, 1999*

[55] *Christopher Caggiano, Recruiting Secrets of The Smartest Companies Around, Inc., October 1998, pp. 30-42. See also www.icube.com*

[56] *Personnel Systems, Today's Technology Graduate: Mobile, In Demand & Demanding!, get web site address*

This does not mean that money is unimportant. The above-mentioned survey indicates that students use a number of sources to learn about starting salaries, and their expectations for starting salaries seem to be realistic. This means that for each position in the IT field (and by extension in other areas where there is a high demand for skills), positions may not be considered if compensation is below a known threshold. Beyond that threshold, employers who wish to attract skilled people in high demand must develop a compensation program with the appropriate mix of salary and benefits which will meet the needs and expectations of recruits.

Companies are using several possible compensation tools to strengthen their recruitment capability, such as adjustment to base pay, signing bonuses, and "hot skills" bonuses (especially to recruit Y2K experts). And Canada's high tech companies outpace business in general in what they provide employees. Each compensation-based tool has potential drawbacks. For instance, if signing bonuses are perceived as creating inequity, they may have an adverse effect on the commitment and retention of employees.[57]
Through frequent salary surveys conducted by a number of U.S. and Canadian consulting firms and research organizations, employers have a fairly good knowledge of the salary range associated with the positions they want to staff. As salary is not necessarily the critical factor in making a decision, companies that are able to customize benefit packages may acquire a competitive advantage. Flexible benefit plans are one way companies can meet the needs of a diverse workforce. However, flexible benefit plans are still the exception rather than the rule, and they tend to be found in large companies.[58] As Bob Hebert, President of the Stone Wood Group advises: "If you do not want to play the price game, you have to differentiate your product."[59]

In a global recruiting environment, higher taxes in Canada impact negatively on the recruitment, or assignment of, foreigners in senior level jobs by Canadian multinational and Canada-based foreign multinationals. Admittedly, this situation concerns a limited number of individuals. However, they are hired in critical positions where decision-making affects the performance and competitiveness of the organization. The preferential treatment provided to these employees create the perception that others are not being treated fairly. The inequity in treatment of non-Canadian versus locals may become more apparent as more Canadians at similar levels are recruited outside the country.[60]

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[57] *Jerrold R Bratkovich and Joan Ragusa, The Perils of Signing Bonuses and How to Avoid Them, ACA News, November - December 1997, pp. 27-29*

[58] *William M. Mercer Limited, 1999 Benefits and Pension Survey of High Technology Companies, News Release, 12 January 1999.*

[59] *Bob Hebert, President, The Stone Wood Group, presentation to the Conference Board's Human Resource Development Centre, November 1998.*

[60] *Helen Axel, Strategies for Retaining Critical Talent, HR Executive Review, Vol.6, No. 2, The Conference Board Inc., 1998, p. 15-16*

Speed Hiring[61]

A problem that very large companies and small to medium-sized fast growing companies have in common is that they are always looking for people. For them, moving fast is paramount. The concept of speed hiring is very simple: when the best and brightest come along, grab them and make them an offer. The fundamental assumption underlying speed hiring is that there is no evidence that stretching the time to hire improves the quality of the hire.

There is a range of possible tools to reduce the amount of time spent hiring:
* reduce the number of reasons for rejecting candidates
* identify key jobs where speed hiring can make the biggest difference
* when possible, pre-qualify certain candidates for "instant" speed hiring
* set a fixed time limit for each step of the hiring process
* reward managers for making fast decisions
* eliminate consensus hiring decisions
* use the company's best recruiters

The success of speed hiring rests on the firm's ability to quickly integrate the new hire in the workplace, especially as no job description may be available at that stage.

Little hard evidence exists that speed hiring reduces costs and increases intellectual capital. However, proponents argue that in certain circumstance, this method is effective. For example, Charles Schwab & Co., the U.S. on-line trading and investing services firm which is setting foot in Canada, began using speed hiring in 1997. So far, according to Schwab's senior vice president of staffing and workforce development, the cost per hire has dropped by 8%.[62]

Leveraging Diversity

Robert Lattimer, Global Practice Leader, Diversity Consulting at Towers Perrin notes that in Canada, women, minorities, people with disabilities and aboriginal people will account for 80 per cent of labour-force growth by the turn of the century (next year!). Within the next few years, several large Canadian cities will see greater diversity in their population: minorities will make up almost 40% of Vancouver's population, 45% of Toronto's population, and 20-25% of the residents of Calgary, Edmonton, Winnipeg and Montreal. Canadian society is changing, and firms want to be able to realize the talent potential of everyone.

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[61] *In the fast moving world of high growth companies, practices get established long before empirical evidence sets in. Speed hiring is one of these practices. Casual conversation with The Conference Board of Canada's member companies indicate that speed hiring seems to have a good potential to ensure the availability of top talent before the competitors. This section is based on Edward R. Silverman, The Fast Track, Human Resource Executive, October 19, 1998, pp.30-35*
[62] *Edward R. Siverman, The Fast Track, Human Resource Executive, October 19, 1998, pp. 30-35*

Lattimer argues that managing diversity is moving from being a social ideal to a practical business mandate. Meeting the needs of a diverse market place requires the talent of a diverse workforce.

Immigration has been and continues to be a key factor in the diversification of Canadian society. Canada keeps attracting highly qualified immigrants, but there are a number of barriers which constraint immigrants' assimilation in the labour market in Canada. These include: official language ability, non-recognition of foreign credentials, and systemic barriers.

Official Language Ability

Lack of immigrants' language ability to be proficient in one of Canada's officials languages is a major impediment to their participation in the labour market. During the period 1983-92, only between 50 to 60 % immigrants entering Canada possessed official language ability. The data also revealed that 64 % of European and 55 % of Asian/East-Asian immigrants lacked language ability.[63]

Language training to new comers is provided in Canada at various levels - federal, provin, and local. The federal Language Instruction for New Comers (LINC) program provides funds through regional offices of Citizenship and Immigration Canada for immigrants for a period of up to three years after their arrival in Canada. For the year 1996-97, $98 million was earmarked for this purpose. Human Resources Development Canada also provides resources for Labour Market Language Training (LMLT) to immigrants in the work force.

Recognition of Foreign Credentials

Another barrier to integration of immigrants in the labour market is the lack of recognition of professional and trades qualifications and experience gained outside Canada. With the exception of professionals from the U.S., U.K. and a few European countries, Canadian professional organizations do not recognize education and experience of immigrants. Therefore, a bulk of immigrants - those who come from Asia, Africa, the Caribbean and Central and South America - are find it extremely difficult to practice their profession or trade in Canada.

Compounding the difficulty is the fact that in Canada, regulation of professions is under provincial jurisdiction and within each province, professions are regulated by independent bodies. To speed up the process of recognizing foreign credentials, a number of provinces have taken some initiatives. Most advanced among these is the Quebec program which is now about 20 years old. Streamlining actions have also been taken by Alberta, British Columbia and Ontario although the nature of each initiative and resources allocated to it vary. At the national level, the Canadian Information Centre for International Credentials (CICIC) has been established for the last three years to collect, organize and distribute information and to act as a national clearing house and referral service to support the recognition and portability of Canadian and international educational and occupational credentials.

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[63] *Human Resource Development Canada*

Other Systemic Barriers

Other barriers to the full utilization of immigrant skills include: the requirement for immigrants to acquire Canadian experience even for the first job placement in Canada; unfamiliarity with job search methods, i.e. resume writing, interview skills, etc.; and institutional barriers such as a lack of awareness of the value of cultural diversity and training for managing a diverse workforce. A recent report from The Conference Board of Canada shows that leading-edge companies believe that transforming an organizational culture into one with diversity as a core value is critical to ensuring their continued success.[64]

How Some Canadian Companies Meet the Challenge of Recruitment

In order to better understand to what extend Canadian employers were adopting the above-mentioned emerging practices, the Conference Board's Centre for Management Effectiveness conducted an exploratory member survey (22 respondents, mostly from large companies). Results of this survey indicate that, in general, Canadian companies are moving in the right direction, but not as fast as their U.S. competitors[65]. For example:

- very few companies measured their recrui   function, a necessary first step in benchmarking future progress ;
- although the majority of organizations h   sed electronic recruiting practices over the past twelve months, very few have developed   Internet strategy;
- t   tional reactive forms of recruiting, such as placing ads in newspapers and using search firms remain popular. However, more active methods of seeking out candidates are gaining in popularity; and
- companies with lower time-to-fill measures have recruiters who function as strategic partners, with line managers being fully empowered to conduct the hiring process and make selection decisions.

Regarding on-campus strategies, the companies surveyed reported being active with on-campus career centers and job fairs, but are only beginning to engage in co-ordinated efforts with local educational institutions to foster relationships with faculty and students at personal levels. Those companies engaged in relationship building reported they would increase their activity in this area.

Finally, survey participants were presented with a series of competitive features that could be used to promote their company as an "employer of choice". The competitive features fell under 4 categories, all taking place within a stimulating work environment:

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[64] Christine L. Taylor, Dimensions of Diversity in Canadian Business, Report 143-95(Ottawa: The Conference Board of Canada, 1995)

[65] Derek Sidebottom, Recruitment: the new basics. Human Resource Development Centre member survey, January 1999 - not for circulation

- Competitive compensation and benefits
- Training and learning culture
- Strong corporate culture/identity
- Family-friendly programs

The choice of these features indicate that surveyed companies are becoming aware of the competitive advantage of becoming an employer of choice. The popularity of non-financial competitive qualities highlights the need for organizations to promote the "total package" when recruiting people with skills in high demand.

Strategies for Retaining Skilled Employees

Being successful at recruiting is necessary, but not sufficient: in a highly competitive job market, organizations must also be able to retain their highly skilled employees. Many of the emerging recruiting strategies discussed above double as retention strategies. This is the case, for instance for the development of a superior value proposition: when employers deliver on the benefits and other features promised at recruiting time, chances are that employees will want to stay. Being an employer of choice relates more to the employer's performance in retaining employees, than by its ability to recruit. It is, in fact, because employers of choice are recognized as "best places to work" that they can attract recruits with skills in high demand.

Successfully managing diversity will also require from employers that they attend to the needs and aspirations of their diverse workforce, not just that they are able to recruit them. When newcomers join organizations, they are expected to adjust to a prevalent culture. In other words, recruits are expected to conform to a set of behaviours and world views which are characteristics of the organization. If this integration is poorly managed, the organization may lose "valuable resources that could help it make better decisions, develop more creative and innovative solutions to problems, adapt to differences among customers, clients or governmental constituencies, and adjust to increasing competitiveness on a global scale."[66]

A specific example concerns the integration of young women with skills in high demand in non-traditional occupations . Over the last 15 years, many Canadian companies and governmental organizations have made significant efforts to hire young women in science and technology-based positions. It seemed a waste of talent that the potential and intelligence of half of the population be so under-represented in key fields. Multi-stakeholder strategies implemented over the same period to increase the awareness of science and technology among young girls are paying off. Between 1986 and 1996, the number of female graduates aged 20 to 29 increased 43%, and the largest increase among women was in the engineering and applied sciences (109%). This increase in the supply of qualified women scientists and engineers allows employers to hire a greater proportion of female among their technical staff, and to increase the diversity in the workplace. However, only companies with an environment that provides for the needs and aspirations of these young women and creates the conditions to fully realize their potential will be able to retain them. In other words, recruitment and retention are closely linked.

However, this link is not always as strong as it should be. Companies that attract highly skilled individuals are the favourite targets of head hunters, and unless their employees are fully satisfied, these firms are at risk of losing valuable employees. Finding about what makes employees satisfied is a necessary step in designing a retention strategy. And once this information is acquired, a number of effective retention tools can be developed. The literature shows that emerging retention practices still take compensation into account, but include several non-compensation-based measures that, in the end, reflect excellence in human resource management.

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[66] Robert Lattimer, *The Case for Corporate Diversity: An International Perspective*, pp. 16-18

Compensation-Based Retention Practices

There is ample evidence that, for high technology and R&D talent, money is neither the only, nor in some cases the major motivator for joining or remaining with a company.[67] This applies, as seen in the introduction and the preceding section of this paper, to many other categories of skills that are in great demand. For a given occupation, it seems that compensation must be above a threshold to attract candidates, otherwise several other factors come into play in an employee's decision about staying with or leaving the company.

However, compensation is a well-established business discipline. This may explain why most of the debate regarding the retention of key employees (as well as the recruitment of critical skills) is focussed on compensation. A recent survey of senior human resource executives in the U.S. indicate that when retention problems come up for discussion, money seems to be the immediate answer. Close to 90% of the surveyed companies used some form of compensation in the last three years as a retention incentive. However, among some HR executives, there seems to be an embarrassed, apologetic stance, that they are not doing enough in the way of non-monetary rewards and recognition for employees, even though they believe they are important.[68]

This said, even if HR executives acknowledge its limitations, compensation remains the top retention incentive. Retention bonuses are commonly used to keep key individuals, mostly as a last-ditch attempt to counter the offers of competitors. This is a risky proposition, as most of the time, the real reason for leaving is not money.

If the employee is dissatisfied with the challenges of the work itself, or the relationship with the supervisor, throwing more money at the problem may not solve it. Enhanced compensation may retain the employee for a while, but not as a committed, loyal value creator.

Retention bonuses can be given for the wrong reason: sometimes, they are given to employees who are critical to the firm, but are not in great demand elsewhere. Firms may also give retention bonuses to employees who are just testing their market value without demonstrating any serious intention of leaving their employer. In both cases, such a costly bonus would be unnecessary.

Research shows that retention bonuses work in situations which have specific milestones. Such situations include plant shutdowns, mergers/acquisitions, and meeting a Y2K deadline. The individuals concerned must understand the transient nature of such bonuses.[69]

This cautious approach is used by the majority of respondents to a survey conducted by The Conference Board of Canada's Compensation Research Centre (CRC). Responding companies reported that retention bonuses are generally targeted at individuals working on projects with limited time frames or critical milestones. Respondents reported that SAP, Y2K and other key IT specialists are generally targeted for these bonuses.

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[67] *Mary Ann Von Glinow, The New Professionals: Managing Today's High Tech Employees, (Ballinger Publishing Company, 1988) pp. 45-55. Several recent employee surveys confirm this (see introduction section of this report)*
[68] *Helen Axel, Strategies for Retaining Critical Talent, HR Executive Review, Vol.6, No. 2, The Conference Board Inc., 1998, pp. 11&13*
[69] *Helen Axel, op. cit., p.12*

Effective retention bonuses can be classified into two categories: project milestones and project completion. CRC Survey responses revealed that one approach did not seem to be favoured over the other. Payouts from retention bonuses can be quite lucrative. Given the associated costs of losing key people, half-way through projects, organizations are prepared to "pay what it takes" to keep people – but these are targeted at a few highly specialized individuals.

According to responding companies, retention payouts can range from 5 to 50% of base salary. However, some organizations prefer to provide set dollar amounts. Performance criteria were built into a number of plan designs: in addition to remaining with the organization to qualify for a payout, some employers required that a specific individual performance level be achieved. Successful achievement of milestones is the key criteria for a payout from milestone completion programs.[70]

A recent survey of R&D intensive U.S.-based companies conducted by Organization Resources Counsellors Inc. confirmed that the retention practice receiving the highest effectiveness rating is retention bonuses, although these bonuses were used by only 43% of survey respondents. Other top-rated practices included adjustments to base pay and stock options (used by 71% of respondents) succession planning for key employee groups (50%), and alternate career pathing (17%). It is quite revealing to learn that the most commonly used techniques, such as employee development, received mediocre average effectiveness ratings. However, in this case, a substantial proportion of respondents (38%) reported that they had insufficient information to judge. The conclusion of this study is that no one program or practice is the answer. It appears that companies have been concentrating on financial tools for improving retention, especially retention bonuses, adjustments to base pay and stock options. However, those companies who perceive their practices as more effective also tend to use a greater variety of retention tools, such as a combination of pay increases, career development programs, flexible scheduling, and improved corporate communications.

The analysis of data led ORC to conclude that "the message from this survey seems to be that turnover is a result of many factors and is best attacked on many fronts. While money is one tool that can be effective, success in retaining critical skills (without doing serious long-term damage to an otherwise sensible compensation program) requires a comprehensive approach. Of the highest-rated programs, three involve financial inducements and two address career development concerns. Employees are more likely to turn down offers from competitors when they believe their work is important to the company – as evidenced by their remuneration – and their need and ambitions are recognized."[71]

Identification and Retention of Employees at Risk

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[70] *Interview with Nathalie Carlyle, Research Associate, Compensation Research Centre, The Conference Board of Canada, March 1999.*

[71] *Organization Resources Counselors Inc., ORC Survey of Retention Practices, 1211 Avenue of the Americas, New York, NY, December 1998*

"Head-hunters take advantage of the disconnect between the motives and needs of individual employees and their employers efforts to understand and meet those needs."[72]

Organizations routinely use exit interviews to find out after the fact the reasons behind the departure of key employees. Unfortunately, such interviews generate information that may not be always useful. First, leaving employees may be reluctant to provide information that would jeopardize their future relationship with the firm; and second, it is too late - a key employee has left. Much could have been achieved through a "pre-exit" interview which would ask questions such as: "What makes you stay with our organization?"

A key retention strategy is to identify which employees are at risk of leaving, understand their motivations, and develop a management approach that will reduce the risk of losing these employees.

The identification of employees at risk requires two steps: first, an analysis of the key positions within the organization. Any loss of staff in these positions would have a serious adverse impact on the organization's performance. Typically, the succession plan would identify how key vacancies would be filled, but in reality, the best of these plans can be defeated by unexpected departures. Exhibit 5 shows how one company adjusted its succession planning to reduce the risk of losing key employees.

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[72] *Bob Hebert, ibid.*

Exhibit 5

Bombardier's Approach to Identify At-risk Employees:

In 1998, Bombardier introduced a refinement to its succession planning process. . Each business unit has to identify all individuals from the succession lists that the company may be in jeopardy of losing. In general, those people who have been in their current position for two or more years are considered at risk. If any are not thought to be at risk, local management must explain why. A tangible product from these efforts will be a book containing a single page for each of the at-risk high performers. On one side of the page will be a brief description of the person and his or her background. The reverse will identify the risk involved, the developmental objectives, and the individual responsible for implementing the development plans.

Source: Helen Axel, Strategies for Retaining Critical Talent, HR Executive Review, Vol.6, No. 2, The Conference Board Inc.,1998

When the identification of people, teams and groups whose loss would have a most detrimental effect on the organization, a list of risk inducers (factors that increase the risk of losing a key employee) and reducers (factors that reduce that risk) can be developed for each key employee. Exhibit 6 provides examples of risk inducers and reducers identified at Bell Mobility.

Exhibit 6

Examples of Risk Inducers
Employee:
- has skills crucial to the company
- feels has been passed over for a promotion in the last year
- is well known within the field
- seems to be looking for new challenge
- has no financial or social commitments

Examples of Risk Reducers
Employee:
- was promoted in last 6 months
- seems excited by new position
- has been with the company since the beginning

Source: Marc Berwald, Bell Mobility, presentation to the Conference Board's
Human Resource Development Centre, Montreal, February 1998

Once the level of risk for each key employee is established by an employer, an analysis of their motivating factors vis-à-vis job satisfaction can be conducted. With this information, the employer can plan retention actions.

Using Abraham Maslow's theory of needs, Robinson and Galpin, both management consultants, developed a hierarchy of managers and employees needs during organizational change (especially downsizing, but their thinking applies equally to other circumstances, such as rapid growth, or going through a merger/acquisition). Understanding what motivates people is a key building block of any retention strategy.

- Security: during times of change, such as mergers and acquisitions, key employees may think of potential job loss. A concern regarding financial security also arises in these situations. Key employees who may not manage their personal finances adequately may want to leave their employer to join a company offering a higher level of compensation. Life cycle events, such as marriage, children, and "life passages" may trigger a variety of security needs.
- Inclusion: Employees have a very basic need to feel that they are "in" on things. Letting key employees know what plans are in the works and seeking their input is a great way to make them feel a critical part of the company.
- Control: A key employee's need for job autonomy can be satisfied if some of the decisions are left to him or her
- Ego: Employees "ego needs" are important as well. Robinson and Halper argue that "employee and management work egos begin with the belief that 'I play an important role in the success of the company.' That belief is often fuelled by the status symbols organizations provide people."
- Doing the right thing: After the preceding needs are met, employees need to feel they are doing the "right" thing according to their own value system.. Difficulty arises, according to the authors, when what seems right for one party appears to be wrong for another .

According to Robinson and Galpin, information gathered to this point can then be inputted into a "re-recruitment matrix" (Exhibit 7), which will allow for the planning and implementation of retention actions.[73]

Typical retention actions include developmental programs, reassignments, increased communication, and personal assistance (such as financial planning services or spouse relocation). Many of these actions are likely to be implemented by the at-risk employee's manager.

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[73] *For similar tools, see: David Wudyka: Retention Audits Build Morale, Understanding, Employee Benefit News, April 1, 1998. Such an audit includes employee and supervisor questionnaires, facility tours, and cultural assessment.*

Exhibit 7					
Re-recruitment Matrix					
At-risk people or groups	**Impact of loss**	**Motivators**	**Retention Actions**	**Responsibility**	**Timing**
Top individuals					
Other key individuals					
Key Groups					
Source: Donald E. Robinson and Timothy Galpin, In for a Change: Re-recruiting Human Capital in Turbulent Times, HRMagazine, July 1996, pp. 90-93					

Making managers accountable for retention is another key element of a retention strategy. The literature indicates that supervisors and managers must play an active role in retention, with human resources providing strategic and tactical support.[74] Based on his extensive work in this area, John Sullivan has articulated six important retention "motivators" (Exhibit 8). It is clear that all of these are under the control of managers and supervisors.

Exhibit 8
The "Big Six" Retention Motivators
1. Honest, frequent two-way communications (candour)
2. Challenging, exciting work (stretch goals & fun)
3. Opportunities to grow and learn (reach potential)
4. Knowing that the employee's work makes a difference (valued)
5. Being recognized and rewarded for performance
6. Some degree of control over my job/life, including work-life balance
Source: John Sullivan, Irene Cuan and Sue Jamieson, The Retention Tool Kit: Common Sense Applied in a Systematic Way, San Francisco State University, 1998. Contact: johns@sfsu.edu

"Head-hunters are largely ineffective in dealing with happy employees"[75]

Integration of Effort

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[74] *Michael Harty, Keeping Your Team Together, Manufacturing Systems, March 1998; see also Retention Initiatives for Whom? HRFocus, October 1997; the article confirms that employees tend to leave organizations over supervisory issues, and that supervisors control much of the retention process.*

[75] *Bob Hebert, ibid.*

In a competitive environment, designing and implementing effective retention and recruitment strategies is important. However, one must keep in mind that all human resources policies and practices are inter-related. Recruitment and retention strategies will succeed only if they are reinforced by, and aligned with other HR strategies. In order to attract and retain adequately skilled staff, and maximize the return on its human capital, a company must manage its human resources holistically. This includes:

- Recognizing, co-ordinating, and capitalizing on the interrelationships among the basic HR processes. As observed earlier, compensation, performance management and development have significant effects on retention
- Managing employee relationships not as a series of transactions, but as a type of asset management life cycle: "Acquire the asset, keep it healthy, put it to the most advantageous use, anticipate its future roles, and plan for its eventual departure. Manage the employee relationship continuously"[76].

In fact, good recruitment and retention practices are rooted in good overall management, and can hardly stand alone if they are not fully integrated with the totality of HR practices and strategies, themselves fully aligned with the business plan..

Conclusions

As the previous discussion illustrates, organizations, private and public need to improve their recruiting and retention practices for reasons of productivity, performance and competitiveness. The literature reviewed suggests that:

- Many barriers to are under the control of organizations: they need to learn to be more creative, embrace networking technologies, create partnerships with education that grow the pool of skilled potential recruits, manage diversity and improve the management of their human resource

- Few barriers to the recruitment of people with skills in high demand are caused by the regulation of inter-provincial mobility. These barriers are expected to disappear - or at least be considerably reduced.

- There may be barriers to the recruitment of highly qualified immigrants caused by ineffective processes regulating access to the labour market

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[76] *The Concours group, HR Imperative: The Future of the HR Organization, date unspecified. Survey results are extracted from Re.sultsSM: Leveraging Human Capital in IT, see www.concoursgroup.com*

- The competition for critical skills is becoming global, and in all likelihood will intensify in North America. Obviously much can be learned from organizations which are the best at recruiting and retaining highly skilled employees. A word of caution, however: aggressive recruitment tactics focus on recruiting the "best" - period. Equity and other similar considerations tend to be ignored[77]. This is an issue that may develop in Canada if the shortage of skills in particular areas of the economy should continue to grow.

As mentioned at the outset, research on barriers to recruitment and retention, and ways to eliminate them has only begun. Employers need much better information on the following topics:

- the needs and aspirations on the new generations of graduates and young employee

- how to improve human resource planning systems, in particular through better information on the labour market and the projected outputs of higher education institutions

- pre-competitive research on best and most innovative human resource practices that source, recruit and retain the talent required by employers

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[77] *Dr. John Sullivan, Head and Professor of Human Resource Management, San Francisco State University, Presentation to the Conference Board's Human Resource Development Centre, Toronto, February 1999*

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