

How To Hire People Who Won't Quit

7 min read



Whether you run a small, medium, or large business, the basic goal of hiring tends to be the same: hire the best candidate at the lowest cost.

Key Takeaways

- **Why It's So Important to Hire the Right People:** On average, the cost to replace a high-level employee rings in at about 150% of their salary, and the costs of replacing a lower-level employee average out to about...
- **Reconsider the Benefits of Outside Hires and Hire From Within:** Today, one-third fewer businesses fill job vacancies with existing employees, and a mere 28% of hiring managers believe internal candidates are an important source of job applicants...
- **Human Capital Management and the Financial Health of Your Small Business:** At the end of the day, the c-suite and HR are on the same team. What benefits the business will benefit its employees, and what benefits employees will benefit the...

While all businesses generally task their human resources departments with the same goal when it comes to hiring, different companies have vastly different ideas regarding the best way to hire.

Some focus on passive candidates, reaching out to individuals who are already successfully and happily employed. Other businesses cast wide nets, attempting to funnel as many applications into their hiring process as possible, and others use modern technology and tracking software to virtually locate potential candidates.

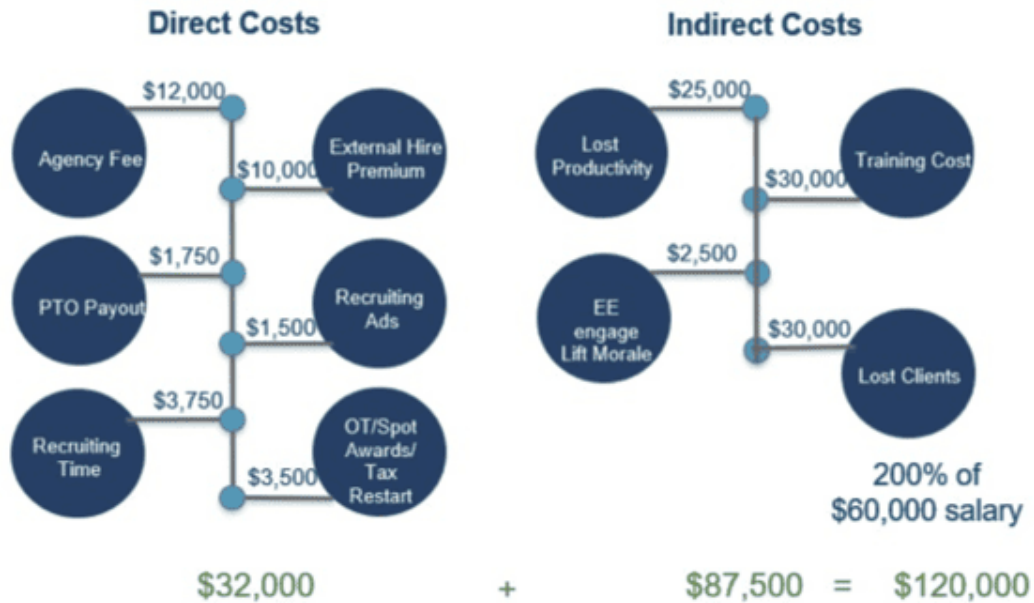
A recent survey from Korn Ferry found that 88% of worldwide respondents reported using some form of recruitment process outsourcing in their hiring process ^[1], meaning the majority of businesses aren't even using their own hiring strategies; they're outsourcing.

Why It's So Important to Hire the Right People

When it comes to hiring, getting it right is essential. Business owners find themselves in a time of unprecedented employee turnover, cleverly coined The Great Resignation, with an average of 4 million employees leaving their jobs every month for nearly two years ^[2]. Plus, exceptionally high inflation rates aren't helping to cover the steep cost of employee turnover ^[3], and employee turnover is incredibly expensive.

On average, the cost to replace a high-level employee rings in at about 150% of their salary, and the costs of replacing a lower-level employee average out to about 50% of their salary.

Why is turnover so expensive?



Read More: [More Than You Think: The Cost Of Employee Turnover](#)

New hires are typically hired with a higher salary than the employees who quit. Additionally, there are the costs to advertise the job opening and the resources put toward scouring resumes and interviewing applicants. You also have to account for the productivity lag that occurs from the moment an employee quits until their replacement is fully up to speed – and this process can take months or even years depending on the position. You should also account for the resources that are put toward training a new employee. This usually includes training materials and the time of another employee to help with onboarding. Additionally, the team as a whole typically suffers emotionally as a result of turnover (i.e. the loss of a friendly coworker).

The best way to save money on the cost of employee turnover is to prevent turnover from happening in the first place by choosing to hire the right people.

7 Tips for Hiring People Who Won't Quit

1. Understand What Motivates Applicants Professionally

Speaking of motivation, potential candidates that are primarily motivated by salary typically do not have much loyalty. This means that they will be willing to leave your company – along with all of the proprietary knowledge they've gained – as soon as they spot a greener pasture elsewhere.

2. Consider Employee Loyalty

When looking at a new applicant's job history, consider how many jobs they've quit before and how frequently they tend to career hop. This is a behavior pattern that demonstrates little loyalty on the part of the employee.

Even if a candidate had good reasons for leaving each of their previous jobs, this behavior can reveal an unwillingness to manage conflict or resolve issues. This kind of employment history can also show you that a potential candidate is highly motivated by monetary rewards, being easily motivated to switch jobs in pursuit of higher pay.

3. Reconsider the Benefits of Outside Hires and Hire From Within

Job openings are most often filled with outside hires, rather than with a process of internal promotions. During the period between the end of World War II and the 1970s, businesses filled about 90% of job openings with internal promotions and lateral assignments. Today, one-third fewer businesses fill job vacancies with existing employees, and a mere 28% of hiring managers believe internal candidates are an important source of job applicants ^[4].

The reason for the uptick in hiring from outside, rather than from within, is that it eliminates the need for your business to cover the cost of training and career development for internal employees. However, neglecting the development of your existing employees and hiring outside of your company has several detriments.

Firstly, outside hires are expensive. They typically join your company at a higher salary rate than the employee who left the position. They require the cost of advertising job openings and recruiting.

Read More: [5 Reasons Why Promoting Employees From Within Is Better For Your Business](#)

Plus, hiring outside represents an enormous missed opportunity: the potential talent already working in your company. Most managers don't have a clear idea of the true talent, skills, and potential that are already present in their workforce. Opening up vacancies to internal applicants could give you the opportunity to tap into copious, powerful resources that are already at your disposal.

Hiring from within also helps to reduce employee attrition. When you invest in the career development of your existing employees and provide them with a clear path up the career ladder in your company, they will feel less compelled to quit in pursuit of better opportunities that your competition might be offering.

4. Use Interviews to Assess Workplace Culture Fit

You can assess candidates based on their qualifications, experience, education, and training in their resumes and application materials. Interviews present a unique opportunity to assess an applicant's personality and potential workplace culture fit. Instead of asking your candidates questions that they've already answered in their application materials, focus, instead, on asking them questions that will help you understand their personality and values as an employee and team member.

Interviews should help you determine whether a candidate shares your company's core values, will fit in with their coworkers, and generally be happy working in your company.

5. Standardize the Interview Process

In addition to focusing on workplace culture questions in your interview process, you should also be using a standardized interview that ensures you ask all candidates the same questions. If instead, you conduct interviews by the seat of your pants, asking whatever questions happen to come to mind and allowing the conversation to flow organically, you'll have no way to actually compare your candidates and ensure that your own, personal biases aren't corrupting the process of finding the best person for the job.

5. Measure Your Hiring Results

If you want to standardize and improve your hiring process, then you need to start keeping track of it. Keep records of the hiring channels you use, how much they cost, and the results they produce. If you aren't accurately recording and tracking these details, then you

can't accurately determine which hiring methods are the most successful, cost the least, and result in long-term, productive, happy hires.

7. Improve Your Leadership Skills

If the turnover in your company is high and ongoing, then you might consider evaluating your own leadership skills and management style. Your turnover and hiring problem might not have much to do with the people you hire; it could have more to do with your own [leadership style](#).

Human Capital Management and the Financial Health of Your Small Business

Finally, in addition to improving your hiring process, make sure your executive suite is not at odds with your human resources department. At the end of the day, the c-suite and HR are on the same team. What benefits the business will benefit its employees, and what benefits employees will benefit the business. Be sure that you develop a symbiotic relationship where your business strategy encompasses a positive human capital management strategy, as well.

[1]<https://focus.kornferry.com/leadership-and-talent/recruitment-process-outsourcing-for-your-organization/>

[2]<https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/interactive-quits-level-by-year.aspx>

[3]<https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm>

[4]<https://hbr.org/2019/05/your-approach-to-hiring-is-all-wrong>