

Recruiting & Retaining Top Talent



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The Recruiting & Hiring Model is Broken

- Outdated Interviewing Process
- How We Know The Model Is Broken
- Suggestions To Improve The Broken Model



**NICOLE
CUMMINGS**

Cakebread Cellars
Director of Human
Resources

Cakebread Cellars: Improvement Strategies & Tactics

- **How We Attract Top Talent**
- **How We Onboard New Hires**
- **How We Identify And Retain Top Talent**

The Recruiting & Hiring Model is Broken

David Newlin

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Before We Get Started - 2 Questions:



1) How many of you are involved in the recruiting, interviewing and hiring process at your company?



2) How many of you are struggling to find qualified talent for your most important open roles?

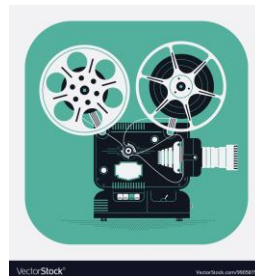


Outdated Interviewing Process

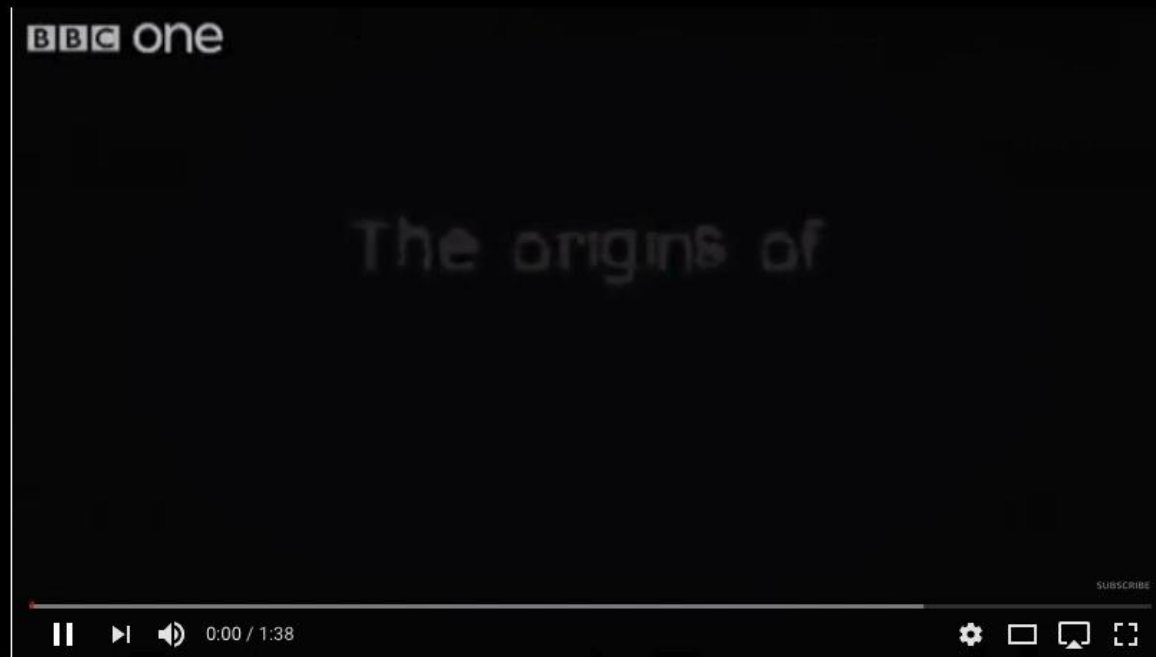


- Next slide is a video...
 - Pay attention to sub-titles (Voices difficult to understand)
 - Also, notice facial expressions (Some are priceless!)
- While watching, be thinking about this:
 - Does my company's interviewing process resemble what we're watching?

- Let's Roll It!...



Outdated Interview Process



How Do We Know The Model Is Broken?



1) First clue?

- All the hands that went up re: Struggling to find qualified talent, not just in the DTC arena, but across your entire company!



- If the model weren't broken, this wouldn't be true, right?

1) Second clue? Re-engineering of American Businesses

1) Third clue? Revealed by looking at the data...

Before The Data, First My Background



Professional Experience:

- 30+ years of executive recruiting and mgmt consulting in finance & strategy; Last 17 years in Senior Executive Recruiting in wine industry
- Only certified *Performance-based Hiring Recruiter* in wine industry
- 1st Recruiter in wine industry to use a Behavior-based Personality Assessment Tool —> Drake P3

Education / Training:

- BS - Finance / Economics, San Jose State University
- Certified in the *Meyers Briggs Type Indicator*
- Certified *Practitioner & Master Practitioner* in NLP

What Does The Data Tell Us?



New-Hire Failure Rates By Job Level

Hourly new-hires – What % of all hourly employees quit or are fired within their first 6 months? “50%” (Source: Humetrics)

Management new-hires – What % of management new-hires fail within 18 months? “Between 40 and 60%” (Source: Harvard Business Review)

High managerial talent – What % miss the mark on high managerial talent? **“In 82% of their hiring decisions”** (Source: Gallup)


Executive new-hires – What % of executive new-hires fail within 18 months? “Nearly 50%” (Source: The Corporate Leadership Council)

CEO failure – What % of new CEO’s fail outright within their first 18 months? “Nearly 40%” (Source: Center For Creative Leadership).

What Does The Data Tell Us?



New-Hire Failure Rates By Job Level



Overall failure rate – What % of all new-hires fail within 18 months? **“46%”** (Source: Leadership IQ)

Hourly new-hires – What % of all hourly employees quit or are fired within their first 6 months? **“50%”** (Source: Humetrics)

Management new-hires – What % of management new-hires fail within 18 months? **“Between 40 and 60%”** (Source: Harvard Business Review)

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CEO failure – What % of new CEO’s fail outright within their first 18 months? **“Nearly 40%”** (Source: Center For Creative Leadership).

Unequivocal success - What % of new-hires can be declared as an unequivocal success? **“19%”** or 1 in 5 (Source: Center for Creative Leadership).

Table by Dr John Sullivan

What? A ~50% New-Hire Failure Rate?



- That's no better than rolling the dice, crossing your fingers and hoping for the best! . . . Really?



- Which reminds me of my favorite recruiting mantras:



- With that kind of average failure rate, I'm pretty sure the model is broken! . . . Does anyone disagree?

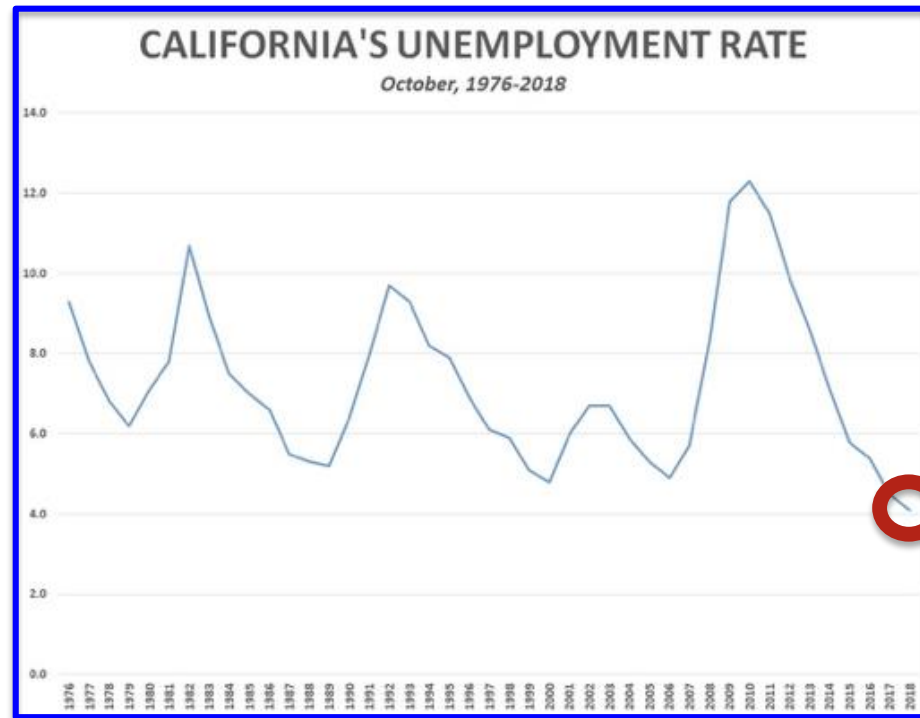
Another Question...



What's driving this ~50% New-Hire Failure Rate?

- 1) **Macro Factors** putting pressure on the recruiting and hiring model
- 2) Research has found that **Top Performers** conduct their job searches differently than B-C players
- 3) **Outdated and ineffective** recruiting and hiring processes and tools... that work for B-C talent, but not for most top performers

1st Macro Factor Impacting The Model



~4%

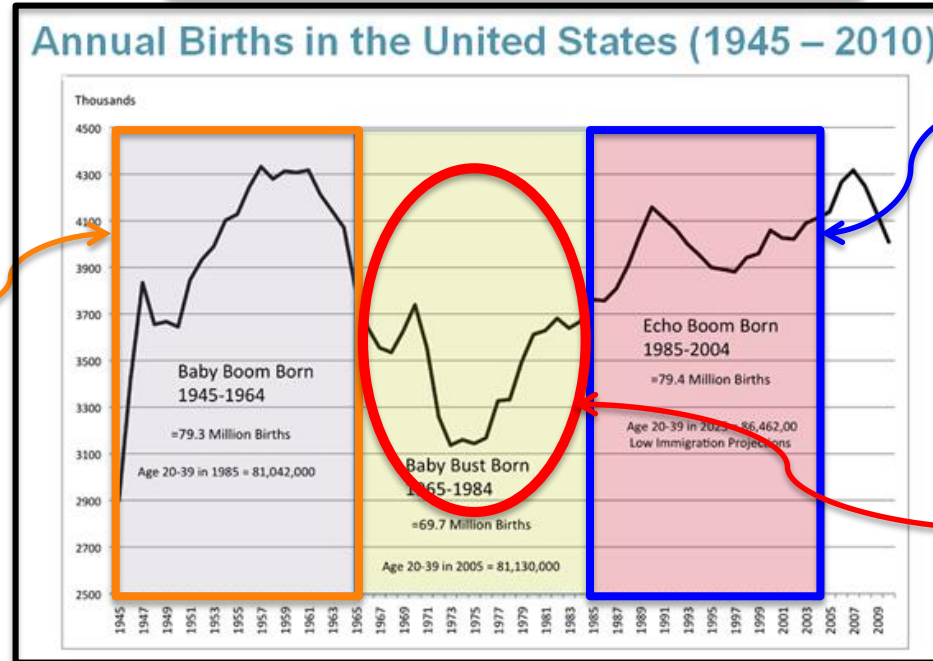
- Historically low unemployment levels certainly make it tougher to find talent...
- However, it doesn't explain away 100% of why so many companies are struggling to find qualified talent!

2nd Macro Factor Impacting The Model



Generational Talent Pools

Boomers:
Born: 1946-1964
Age: 54-72
-> HUGE
POPULATION !



Millennials:
Born: 1981-1996
Age: 22-37
-> HUGE
POPULATION !

Gen X:
Born: 1965-1980
Age: 38-53

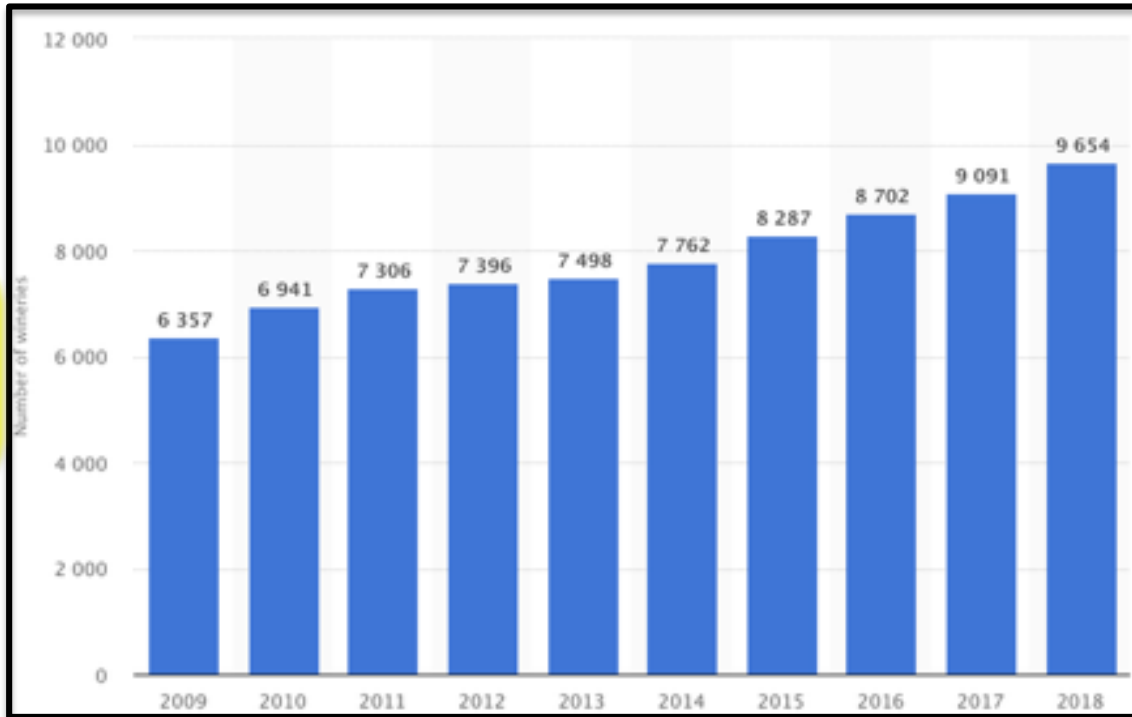
- Relative to Exec level roles, Boomer Gen is moving into retirement years, plus...
- Majority of Millennials aren't yet ready for Exec roles, leaving...
- Significantly smaller Gen X population in prime Exec age range!

3rd Macro Factor Impacting The Model



We now have over 9,650 licensed / bonded wine companies

Unique to
the wine
industry!



An increase
of over 50%
since 2009!!!

Combined with the 2 previous Macro Factors, this means we now have a lot more companies chasing after a smaller talent pool!

4th Macro Factor Impacting The Model



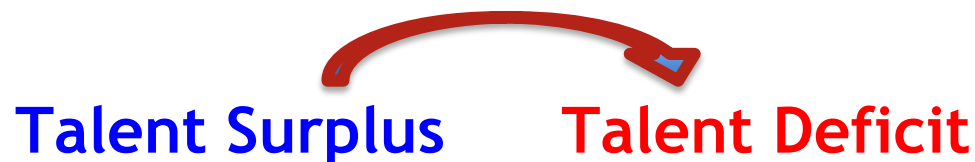
Companies are raising the bar regarding the level of talent they're willing to hire...



How many of your companies are doing this?



- These 4 Macro Factors...
 1. Historically Low Unemployment Level
 2. Generationally-driven Smaller Talent Pool
 3. More Wine Companies Chasing After Smaller Talent Pool
 4. Companies Raising The Bar On Talent Level Requirements
- Have caused a shift from:



- Implications? . . .

Implications of Talent Deficit Environment

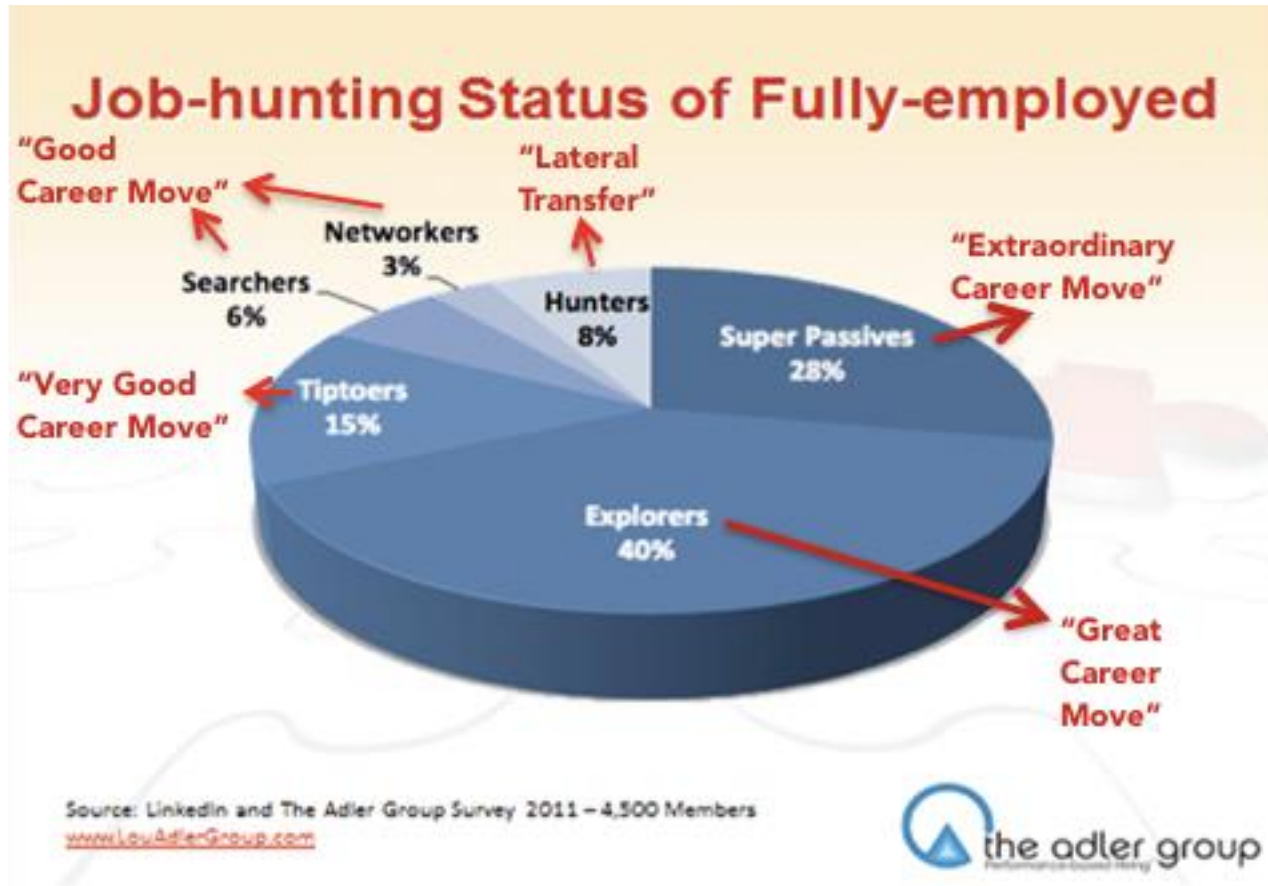


1. Job Seekers have more power than before
2. Traditional **Online Job Postings** and **Job Descriptions** aren't as effective in **Talent Deficit** environments
3. When you're hiring, you have to be more strategic and creative with how you make contact with and engage talent, plus how you "market" jobs to them

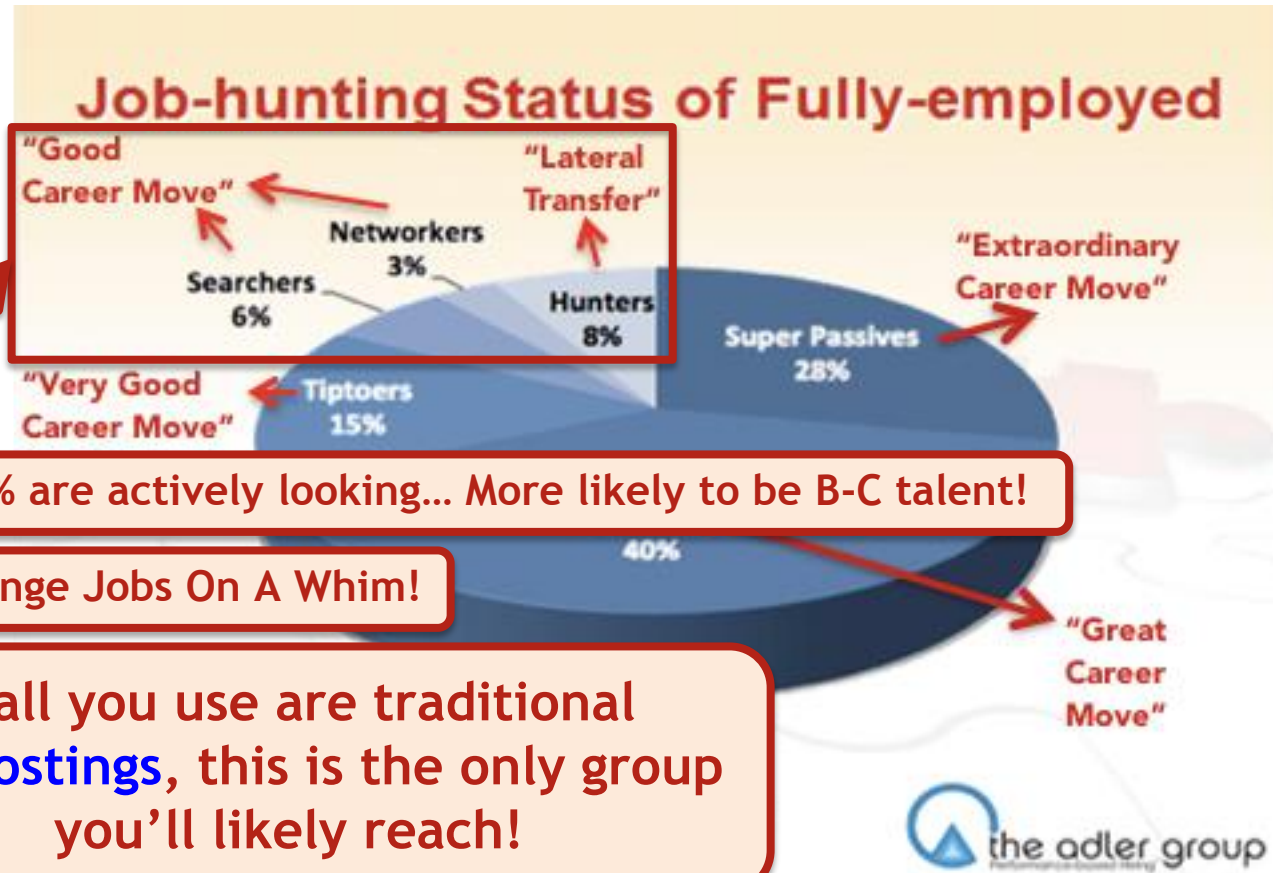
What Else Does The Data Tell Us?



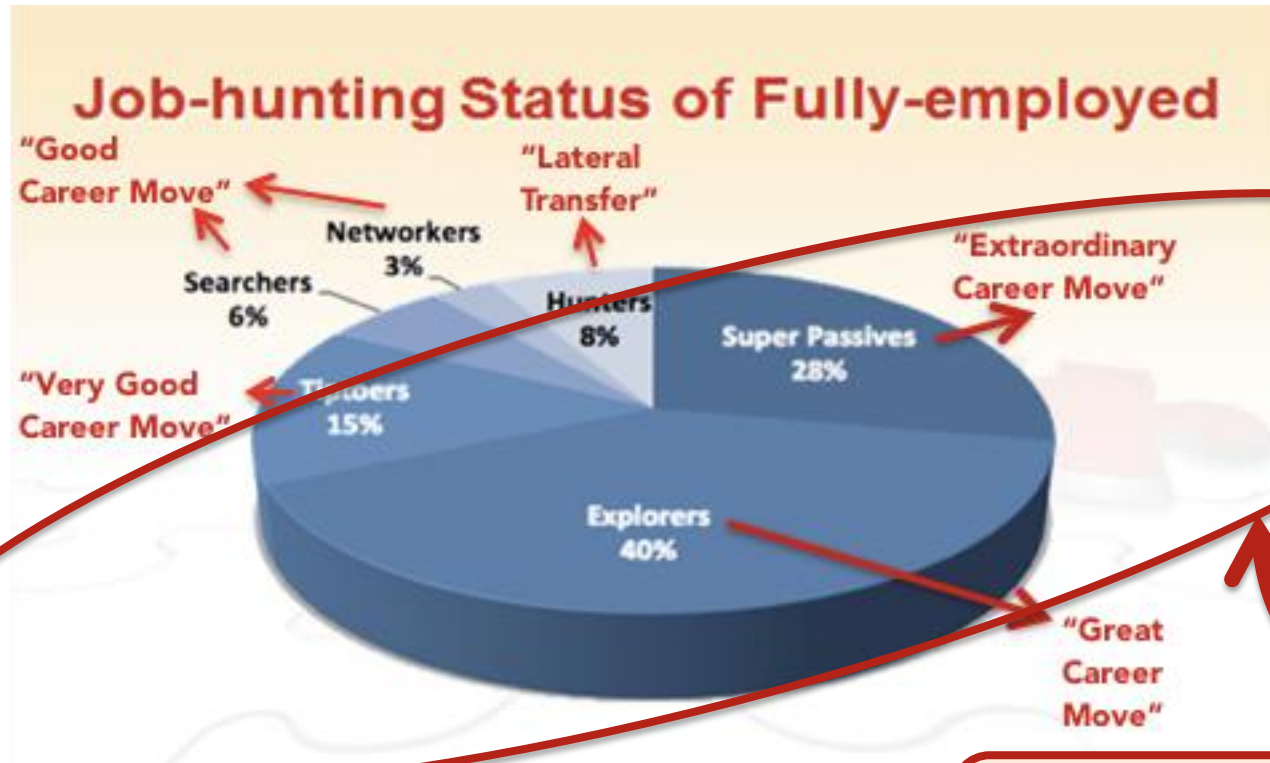
Based on LinkedIn / The Adler Group Research



First Group: “Active” Candidates



Second Group: “Passive” Candidates



The other 83% are “**Passive**”
They’re more difficult to reach... BUT...

Top-Performers
typically live here !!!

What This Research Also Discovered



- **Top Performers** are out there! However, they're harder to find AND they approach their job searches differently...
- **Top Performers** care about two other criteria before compensation, benefits, title, etc.:
 1. "What will I be challenged to do in my first year?"
 2. "How will my career be in a better place 3-5 years in the future if I join your company vs. staying where I am?"
- **Implications:**
 - If you want to only engage with and hire **Top Performers**, your recruiting and hiring processes **MUST** clearly and effectively address both of these two factors!
 - **ALSO**, you **MUST** also stop talking about compensation so early in the process... If candidates bring it up, it likely indicates they are a B-C player... **Focus on Job Fit first, not Money Fit!**

Suggestions To Improve Broken Model



- While there are an endless number of mistakes I see wine companies making in their recruiting and hiring process, I'm only going to focus on a few of the more high impact **Mistakes...** and **Solutions**



- I'm also going to assume you're interested in hiring only **Top Performers** on your teams... Yes?



Hiring Model Fix #1



Reverse Conversation Sequence w/ Candidates



Based On
What B-C
Talent
Cares About
First:

- Money/Title
- Benefits

Reverse Conversation Sequence w/ Candidates



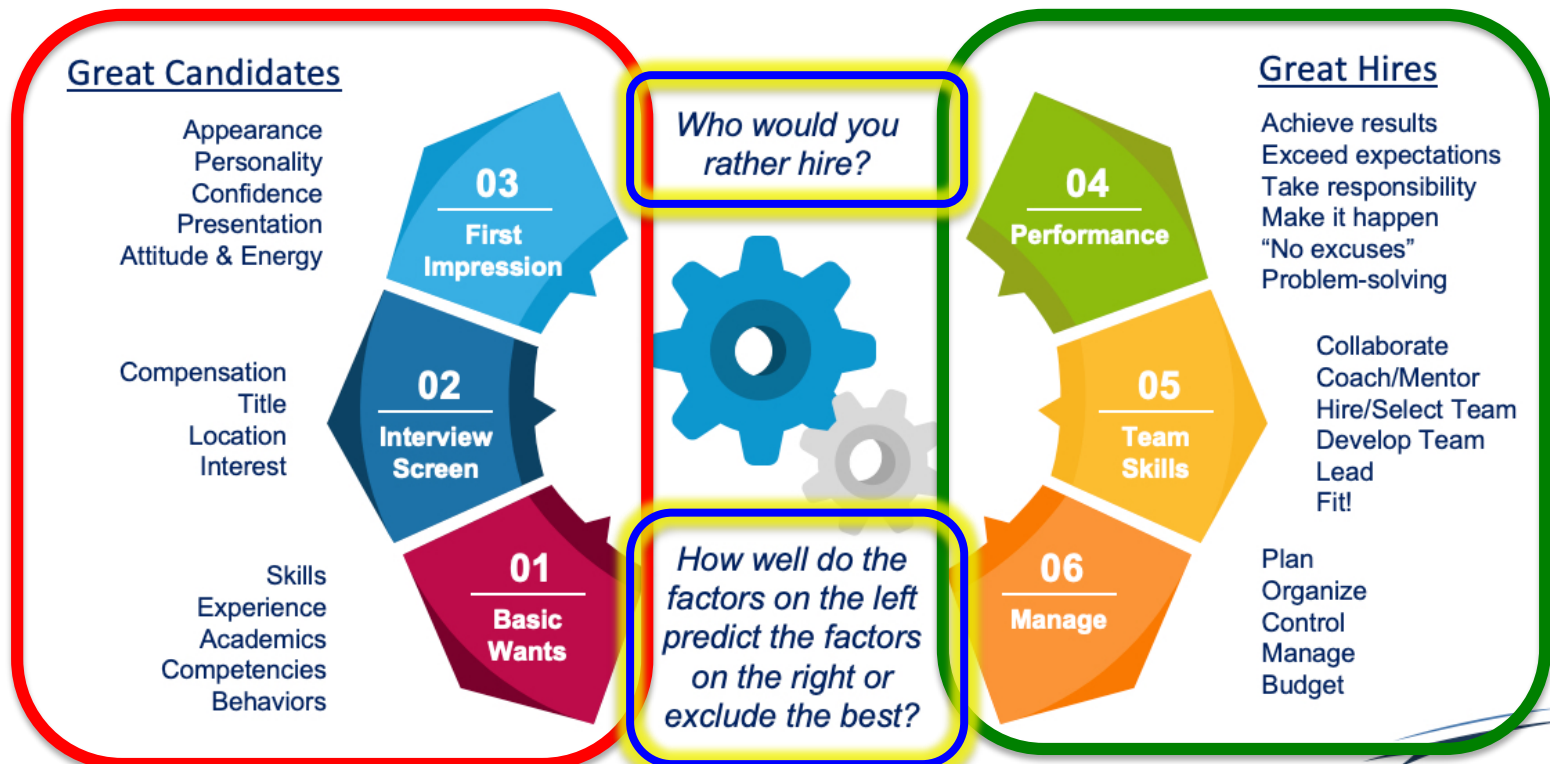
- Yr 1 Challenges
- 3-5 Yr Career Growth

Hiring Model Fix #2



Interview for Great Hires, not Great Candidates

The BEST CANDIDATES are often NOT the BEST HIRES!



Hiring Model Fix #3



Define the Job / Career Move, Not the Candidate

- Start defining the **Job** using 5-6 Year 1 KPOs (Key Performance Objectives) rather than relying simply upon **Job Descriptions**, which are just checklists of desired skills and experience
- Develop interview questions to validate exceptional performance on similar past assignments
- Develop an ***Ideal Candidate Value Proposition*** that “markets” why this is a great opportunity for the right **Top Performer** candidate
- Communicate this CRUCIAL information to all prospective candidates at the outset



Hiring Model Fix #4



Add Back-channel Reference Checking

- Supplement traditional **Reference Checking** process with **Back-Channel Reference Checking**:
 - How it usually goes...
 - vs. How it could go!
- Significantly de-risks the recruiting process:
 - Dramatically reduces time wasted with B-C talent
 - Increases your confidence level early in the process that you're focused on the right **Top Performers**



If All Else Fails...



Go Get Trained In *Performance-based Hiring** !



Recruiter and Hiring Manager Training

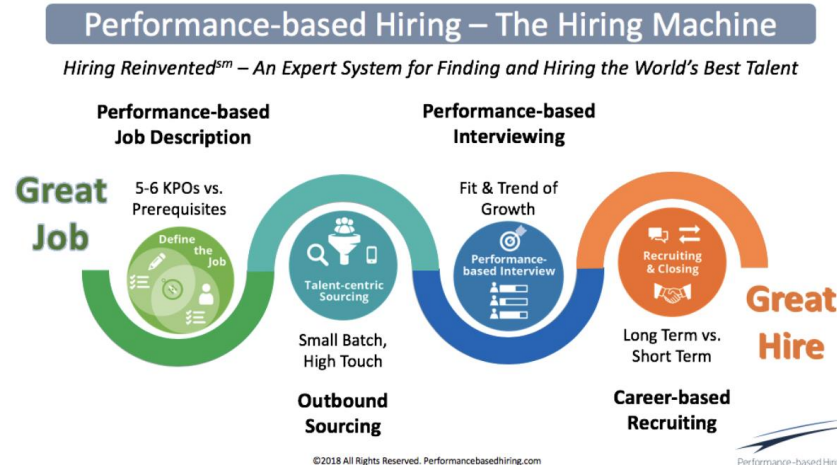
Performance-based Hiring

Talent Rules!

- A Complete System for Sourcing, Interviewing and Recruiting Passive Candidates
- The Foundation of Every Diversity Hiring Initiative
- Maximize and Measure Quality of Hire
- Implement a "Raise the Talent Bar" Program
- Validated with U.S. Labor Law, Affirmative Action, EEO and OFCCP

Onsite/Online

The Adler Group (<https://louadlergroup.com>)



***I have no vested financial interest in The Adler Group... It's just a great program !**

The Hiring Machine (<https://louadlergroup.com>)

Cakebread Cellars: Improvement Strategies & Tactics

Nicole Cummings

Director of Human Resources
Cakebread Cellars

Attracting Top Talent

Employer Branding Action



Messaging and communication

- Career page
- Recruiting sites and advertising
- Social media
- Internal employee communications and culture

Employee referrals

- Increase awareness of program
- Research better ways to use and reward
- Expand beyond seasonal hiring

Employee survey

- Raise scores in all 5 survey dimensions
- Use social media to create mini surveys with testimonials

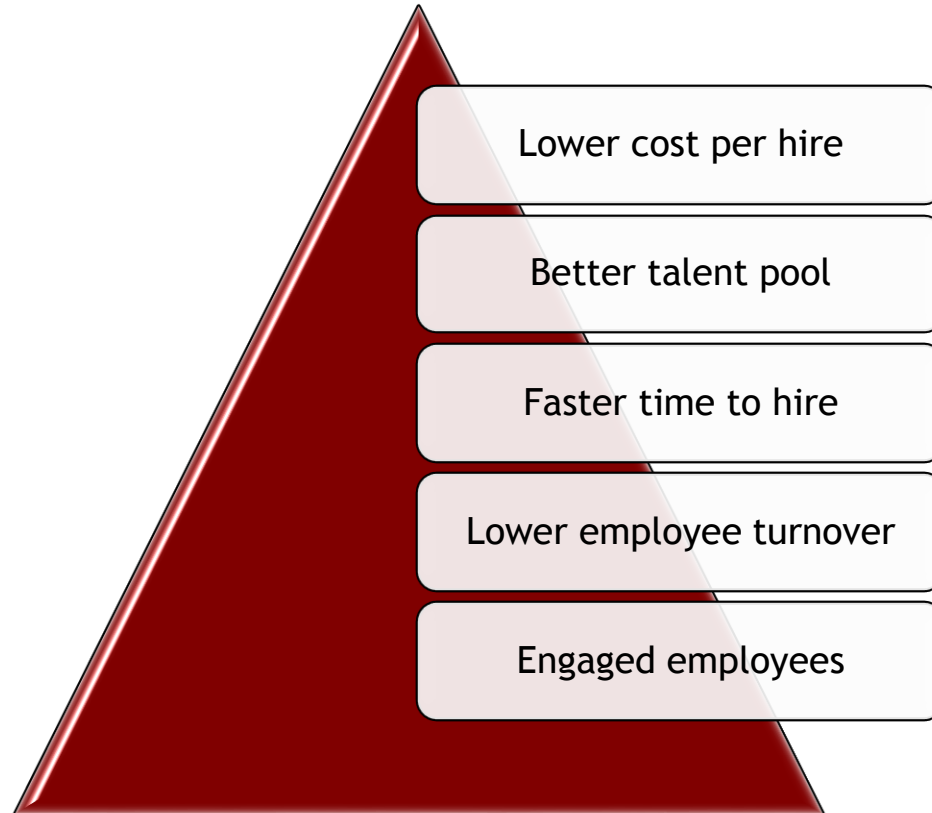
Metrics to assess and track the success of the employer brand

- Quality of hire
- Brand awareness
- Employee satisfaction

Employer Branding and the Benefits



Reputation as an employer and our value proposition to our employees - employee marketing strategy to help with recruitment and ensure we are consistently communicating the employee value proposition to our current employees to retain and engage them.



Plan Your Strategy



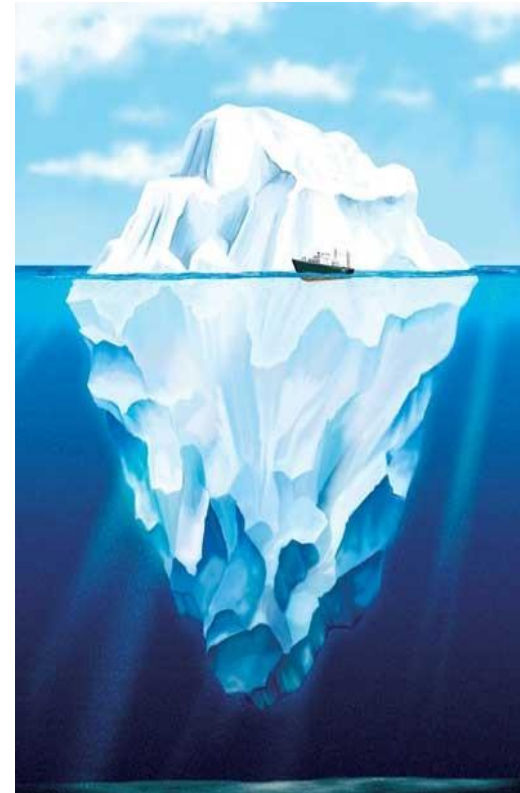
- Really understand the position you are trying to fill.
- Skill set is very important but can often be taught by training.
- What cannot be taught is a fit with position and company culture.
- Identify intrinsic values - common core characteristics and/or skills that the majority of your current employees possess.
- Determine key selection criteria -continuously remind yourself of these.
- Use your built talent community (relationship recruiting) who can be contacted immediately when a position opens up.



Relationship Recruiting



- Start building relationships with the best performers in the industry
- Maintain communication, build trust, and be honest with them as to why your company is the best fit - regular emails or in person connections
- Be patient



Knowledge
Skill
Ability

Traits
Motives
Behaviors

Onboarding New Hires

Onboarding



Onboarding Checklist - Not just an HR function

1. Pre-boarding
2. Deliberate introduction and acclimation into the organization
 - a) Discussion of initial projects, roles and responsibilities
 - b) Set performance expectations and standards for next 90 days
 - c) Review of “hot issues” that will require attention within first 90 days.
3. Designed action plan for new hire
 - a) How to get things done with resources, tools, and time to accomplish - what not to do
 - b) Work styles and preferences

Goal: within the first 30 days is to establish roles and responsibilities of the new hire as they relate to performance, development and relationships/partnerships.

Increasing Retention

Talent Assessment Plan



- Strategic leadership development is a risk management practice.
- Process to identify the core competencies, skills and knowledge needed over a determined timeframe along with a plan to develop those competencies in the existing talent.
- First step is to assess internal talent:
 1. List performance development completed
 2. Identify current competency strengths and gaps
 3. Establish performance development action plan

Nine Box Talent Assessment Tool



Leadership Potential	Box 7 – Too New Definition: Progressing as expected on technical skill development.	Box 4 – Solid Performer/Strategic Role Definition: Strong leadership with solid job performance, clear demonstration of strategic leadership competencies.	Box 1 – Excellent Performer/Strategic Role Definition: Demonstrates exceptional leadership competencies; consistently over-achieves on job expectations; experienced professional with broad knowledge of the company.
	Box 8– Low to Mediocre Performer Definition: Inconsistent performance. May perform well enough to just get by. Does not show strong initiative.	Box 5 – Solid Performer/Tactical Role Definition: Solid job performance with tactical leadership competencies.	Box 2 – Excellent Performer/Tactical Role Definition: Consistently over-achieves on job expectations with tactical leadership competencies.
	Box 9 – Poor Performer Definition: Not meeting expectations Clear performance deficiencies.	Box 6 – Solid Performer Definition: Fully competent, solid performer. Consistently meets all and exceeds some job expectations.	Box 3 – Excellent Individual Contributor Definition: Consistently over-achieves on job expectations. Routinely delivers A+ quality work; seasoned professional.

Performance Contribution

Leadership's Role in Development



- ✓ Help guide your employees by helping to match their skills, business interests, and work values with job opportunities
- ✓ Conduct frequent discussions of developmental needs
- ✓ Give timely and specific feedback about an individual's performance against established expectations
- ✓ Provide opportunities for coaching, when necessary
- ✓ Ask the questions
- ✓ Implement individual development plans

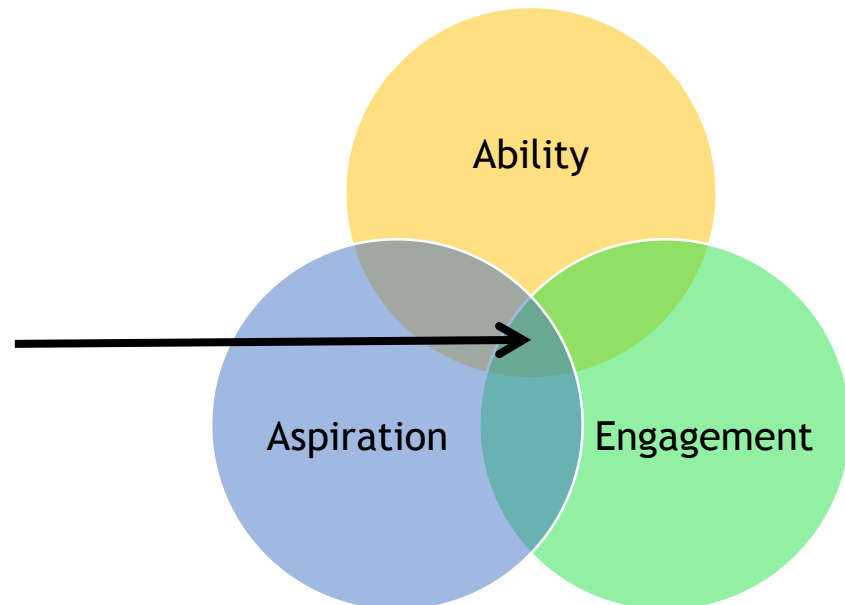
- ✓ Details and mentoring from current senior leaders
- ✓ Rotational assignments
- ✓ Special projects/action learning
- ✓ Task forces
- ✓ Supplemental readings
- ✓ Speaker forums
- ✓ Conferences

Individual Development Plans



- Tool to assist employees in career and personal development.
- Help employees reach short and long term career goals AND improve current job performance.
- Partnership between the employee and manager-involves preparation and continuous feedback.

Someone with the ability, aspiration, and engagement to rise and succeed in more senior or critical positions.



Key Ingredients



- ✓ Employer branding
- ✓ Relationship recruiting
- ✓ Connecting new employees quickly
- ✓ Real learning opportunities

Better leadership, not just better leaders

Thank You... Questions?

