



YOU'RE HIRED!

A labor shortage looms on the horizon, and outdoor companies are struggling to **ATTRACT AND RETAIN** talented workers.

BY ROY NOTOWITZ, PARTNER, GENERATOR GROUP

an increasingly competitive hiring climate is making it more difficult than ever to locate and keep the best talent in the outdoor industry.

“Quality candidates are harder to find, and very few applicants fit the job description,” said Charlie Theuma, director of retail at Helly Hansen. “Differentiation among candidates is not wide, and everyone seems to have the same backgrounds, experience level and talent. Standouts are few and far in between.”

Mike Dowse, vice president and general manager of Suunto North America, agreed. “The hiring market has always been extremely competitive,” he said. “The number of candidates you receive is minimal, and there are not a lot of quality candidates from which to choose.”

One factor exacerbating the problem is the increasing number of companies that require employees to sign non-compete agreements, preventing these hires from moving to competitive companies after they leave. “More people are being locked out by non-competes and being forced to sit out when they decide to make a move,” said Adam Baker, director of apparel for Under Armour. “This seems to be less about protecting proprietary information and more about blocking competitors and retaining employees.”

Another issue is the number of mergers and acquisitions that have taken place in the outdoor industry over the past several years. For large companies with multiple brands, this presents an advantage. “Suunto is one of seven brands in the Amer Sports portfolio that also includes Wilson, Atomic, Precor, Salomon, Bonfire and Mavic,” Dowse said. “As a result, we have a larger internal pool of candidates to promote across all of the brands. We are also in a better position to retain top talent in the company by keeping the career paths of our hires fresh and challenging.”

Yet for smaller companies, such as Horny Toad Activewear, this trend is making it more difficult to compete. “At the industry level, the amount of merger and acquisition activity and some specific

experience requirements have added to the competitive trend we are seeing,” said Horny Toad President Gordon Seabury.

As with many fields, the shortage of qualified outdoor industry workers is more dire in some job categories than in others. “The universal challenge for any apparel company is to attract and retain design talent,” said Curt Mudd, vice president of human resources at Nau, an apparel company in Portland, Ore. “The challenges for designers are numerous, and they can be influenced from a range of sources.”

TODAY'S HIRING LANDSCAPE

While some challenges facing outdoor trade businesses are specific to the industry, changing demographics on a broader scale are radically altering the recruiting landscape for companies across the United States. The workforce is aging, and more than 64 million baby boomers are poised to retire by the end of this decade. The unemployment rate has dropped to 4.7 percent nationally and, as a result, compensation and company turnover at the executive level are both rising rapidly. Unfortunately, companies won't be able to rely on the next generation workforce to solve the supply problem. Undergraduate enrollments in engineering and computer science have declined at U.S. universities since 2001. And post-9/11 immigration rules are making it harder to recruit highly skilled workers from overseas.

Advances in technology are also complicating the hiring picture. For example, Internet job boards and software are enabling job candidates to crank out job applications faster than ever, leading many candidates to apply for numerous jobs for which they are not qualified. Deluged with resumes, recruiters are now spending the vast bulk of their time responding to unsolicited calls and handling a slew of job applications from unqualified candidates. In addition, networking tools such as

LinkedIn and Jobster are making it possible for top talent to maintain contacts and find work with much greater efficiency on their own. This reduces the likelihood that the talent you are actually looking for will respond to your job opportunity or become a part of your talent pool, unless you proactively seek them out.

These indicators suggest that companies are having an increasingly difficult time locating, attracting and retaining key talent across the nation. Indeed, nearly 60 percent of company executives now cite the inability to attract and retain the best talent as a key threat to their business.

A STRATEGIC APPROACH TO HIRING

With such a strong reliance on highly skilled workers, how can the outdoor industry succeed in this environment? Is it still possible to hire and retain the best talent in the face of all these challenges? While there are some things you cannot control in a person's decision to consider your company, other things you can. The answer lies in adopting a proactive, strategic approach to hiring. By thoughtfully planning your approach to hiring and staying in front of the process at all times, your company can significantly influence the recruiting and hiring experience. *Here are five tips to point you in the right direction:*

» **Develop a strategic staffing plan.** The outdoor industry is comprised of people who perform at a high level and do a wide variety of tasks. A strategic staffing plan will allow your company to anticipate future staffing needs, and with top talent. A good staffing plan should include strategies such as: increasing the number of employee referrals, enhancing the diversity of candidate pools, or reducing the amount of time you spend filling positions. Each strategy and the corresponding tactics should be measurable to ensure that they are effective. As you develop your staffing plan, consider which positions in your company have the greatest impact. These are the positions

in which you should invest the most time and resources since you have the most to lose if you hire the wrong person.

Also keep in mind that hiring is a process, not an event, and all processes consume resources. With many moving parts and variables that are hard to control, hiring can at times be inefficient. Be sure that your strategic staffing plan includes a comprehensive recruiting and selection process that allows your company to consistently generate, evaluate and select highly qualified candidates. A comprehensive process does not have to be slow. Speed is becoming more important with top candidates flying off the market in record time. Some recruiters are reporting that the top candidates hardly last two weeks on the market once they decide to make a job change.

» **Know what you're looking for and how to assess it.** People are complicated, so you need to put on your thinking cap before you determine your process for selecting candidates. An incredible amount of time can be wasted sourcing, screening and selecting candidates based on ill defined and often inaccurate assumptions about what a job actually requires. To make a suc-

cessful hire, you must first prioritize the job requirements and consider ways to properly evaluate prospective candidates. To accomplish this, some companies go beyond job descriptions to develop "success profiles" for key positions. A success profile spells out the specific core competencies needed for success in the job. Core competencies are more than the particular skills or experience a candidate brings to the job. They are a set of capabilities such as "problem solving," "strategic thinking" and "leadership ability" that are harder to define, yet critical for success. Defining the core competencies will help you to focus on the most reliable indicators that a person is right for the job and prevent you from selecting candidates based on experience and skills alone.

» **Build deep talent networks.** Recent data from the 2006 Executive Job Market Intelligence Report showed that networking outpaces job postings as a successful recruiting strategy by more than 4-to-1. Hiring skilled in-house or contract recruiters can cut through the clutter by tapping directly into the most effective sources for finding top talent. In this way, they are worth their weight in gold. Recruiters who wait for candidates to come to them are not doing their jobs and won't be successful. It is important to structure internal recruiting positions to allow recruiters to spend the majority of their time proactively developing relationships and selling

which delves into a candidate's past experiences and behaviors to determine future success, can increase the likelihood of a successful hire by as much as 40 percent. In addition, online screening, assessment tests and "work simulations," which test a prospective candidate's approach to real work situations he or she will encounter on the job, can increase the accuracy of hiring decisions. I also highly recommend in-depth reference and background checks for all finalists.

If managed well, the strategic use of third-party recruiting partners can save you money and have a strong return on investment. When evaluating an outside recruiting firm, look for industry reputation, a proven track record and a well-defined recruiting process. In addition, always check client references.

» **Create a positive candidate experience.** High-level candidates do not like the feeling of being processed. Unfortunately, most companies' hiring processes were not designed to hire top talent. To create a positive candidate experience, talent guru Lou Adler recommended a talent-centric strategy designed to meet the needs of highly skilled talent. "This means that every interface, every advertisement and ad placement, every form, every question, every meeting, every email, every encounter, every schedule, every call, every follow-up call, every offer, and everything else is designed to ensure that a top person will be wowed!" A good example of a company that employs a talent-centric recruiting strategy is Starbucks, which personalizes the candidate experience by inviting candidates to a special coffee-tasting event at corporate headquarters as part of



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their company to active and passive candidates rather than responding to a sea of resumes. There are many recruiting tools available to help streamline the resume screening process and free up recruiters' time to take a more strategic approach to building talent pools.

Outsourced recruiting is also a way to build deep talent networks. A recent survey by CareerXRoads found that 44 percent of companies outsource all or part of their recruiting. In addition to using in-house and contract recruiters, your company should proactively develop one or two strategic relationships with outside recruiting firms to use for specialized hires, when resources are maxed out or to increase the speed and focus of a specific search. Selecting top vendors up front will allow for better partnerships, improved performance and the ability to shut out unsolicited resumes that can infiltrate your company. It will also help your company avoid paying unnecessary contingency fees to recruiters that add little value beyond blasting resumes at your hiring managers.

the interview experience. Additionally, each candidate gets a personal note from the hiring manager after the interview.

Although a talent-centric recruiting strategy is critical, by itself it is not enough. In order to truly attract the best talent, your company must also have a strong employment brand. Nearly half of all American workers say their companies' image played a key role in their decision to apply for a job there. With the increasing popularity of Internet blogs and chat rooms, a few negative employee interactions can weaken the reputation of your company overnight. Developing a strong employment brand is not just about PR and advertising. It involves making employee morale a top priority and ensuring that the desired culture truly matches the actual work experiences of employees. Once you capture the unique and desired aspects of your company culture, you will be able to communicate it through the office environment, employee communications, external job postings and the career section of your website.

(continued on page 93)

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(continued from page 83)

» **Effectively integrate your hires and keep them engaged over time.** Recruiting does not stop the first day your new hire is on the job. It's a continual process that also involves successfully "on-boarding" your hires so that they quickly reach an equilibrium point where they are contributing more than they are learning. A recent study by the Center for Creative Leadership found that nearly four out of 10 new management hires fail within the first 18 months of the job. Why? They typically must overcome steep learning curves before they can begin to perform their jobs effectively. To integrate your new hires more quickly into the company and begin capturing your ROI, it's important to develop an effective integration plan that includes frequent communication, coaching and feedback right from the start.

Once your new hires are up to speed, it's important to find ways to retain them. One way Horny Toad works to retain its employees is by implementing an employee-friendly benefits program. "The program includes stock ownership after a certain period of time and contribution, and a newly instituted wellness program that includes health club privileges, weekly yoga classes at the office and regular chair massages," Seabury said. "Not only are these benefits focused on re-recruiting our existing talent; they also serve as an appealing sign of our priority to make Horny Toad a sustainable business environment."

It's also important to keep employees challenged by providing them with meaningful work, and an opportunity for learning and development. Studies have found that the cost of replacing lost talent is 70 percent to 200 percent of the hire's annual salary. While money and perks matter, employees say what they want most is a good boss, intellectual change and the opportunity for growth. Create a growth path for your new hires that includes training programs to develop their specific capabilities. On a broader level, develop a succession plan that identifies your company's long-term hiring needs and prepares existing employees for advancement.

By embracing these steps, your company can separate itself from the pack and reap the biggest competitive advantage you have: your human capital. 🏆

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