



March 26-April 1, 1999

HIRING

Owners find its a hard job to hire, keep workers

By Timothy Bower
CONTRIBUTING WRITER

Hiring and retaining good employees always is a challenge, but when the pool of candidates shrinks, the task is doubly difficult.

Unemployment rates are low, giving employees the negotiating edge when compensation packages are on the table. Low unemployment rates force employers to up the ante for new employees and, sometimes, to come up with creative incentives to persuade existing employees to stay.

The average unemployment rate for the 20-county metro Atlanta area during 1998 was 3.3 percent according to the Georgia Department of Labor. In January, the last month for which firm numbers were available, the rate was 2.9 percent.

"It's great on the one hand, because that means most people who want a job have a job," said Sam Hall, director of communications for the Department of Labor.

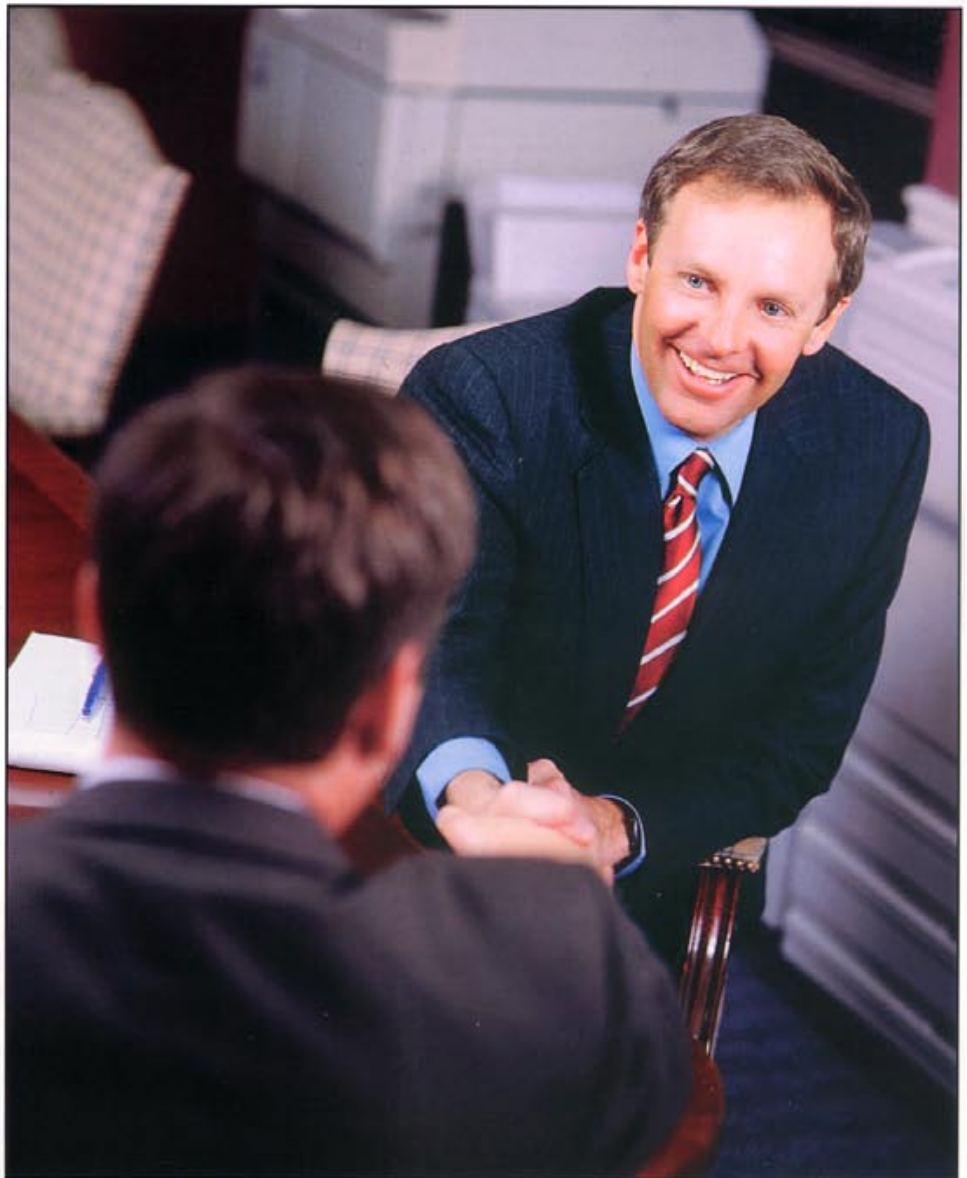
"The flip side of that comes in when the employers need to hire someone or need to create new jobs — they have a much harder time finding the trained workers they need," Hall said. "Employers all over the state are having a hard time finding adequately trained workers."

Wanted: High-tech workers

Jim Solmson, president of an Atlanta-based commercial printing company, The Graphic Source Inc., is experiencing the problem firsthand. It's especially troublesome, he said, when trying to hire people with computer savvy to fill high-tech positions.

"It seems the marketplace is very tight for those kinds of people," he said. "We're having trouble finding people with the skills you need, and when you do, they want the sky for compensation."

But no matter how large or small the labor pool is, it's always difficult to find 'quality employees,' said John C. Gordon, president of Gordon Document Products Inc. of Atlanta. Gordon, who, has been hiring people for 13 years, said the labor shortage just makes it a little harder — about 10 percent to 20 percent harder,



ALLISON SHIRREFFS

he estimated.

"It has always been a challenge; the good people have jobs," he said.

The 75-employee seller and installer of document products, such as copiers, fax machines and storage and retrieval software, has openings for 15 to 18 people, primarily in sales, Gordon said. His strategy employs various incentives.

John Gordon, who needs about 15 to 18 new salespeople for his document printing company, looks for consistency when he hires new employees.

Georgia job market at a glance

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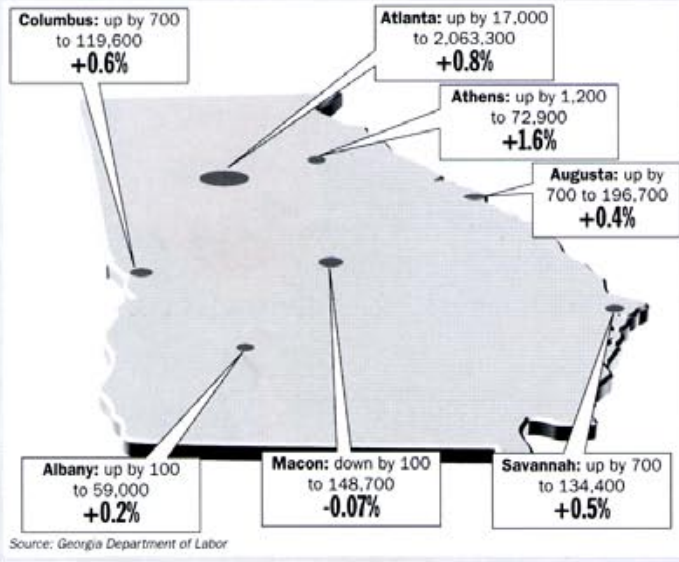
For the state, the unemployment rate is the lowest it has been in 25 years at 4.1 percent in February. The state has averaged 4.1 percent unemployment for 12 months, the lowest 12-month average in a quarter-century.

"While unemployment remains historically low in our state, the labor market also remains very tight," Georgia Department of Labor Commissioner Michael Thurmond said, "with employers throughout the

state facing a shortage of qualified workers."

For February, the number of non-farm jobs in Georgia rose by 23,900 to 3,786,300. The state's jobless rate was 4.5 percent in February 1998. Many of the new jobs added this past February were in trade and business services, such as temporary employment agencies, computer and security firms and restaurants and bars.

Nearly three-quarters of all new jobs were in the 20-county metro Atlanta area. Macon was the only metro area that lost jobs during the month. The metro areas and their job gains from January to February are as follows:



For some positions in the company, compensation packages have been increased significantly to help attract and keep employees. For sales positions, Gordon has been getting good results by offering incentive trips. When employees meet benchmarks, they can look forward to a few days off in an exotic setting.

In January, six salespeople were rewarded with a ski trip to Vail, Colo. In October, Gordon said, about a half-dozen workers from the 18-member sales team reached their sales numbers and were awarded a getaway with their spouses in Palm Beach, Fla.

Inventive incentives.

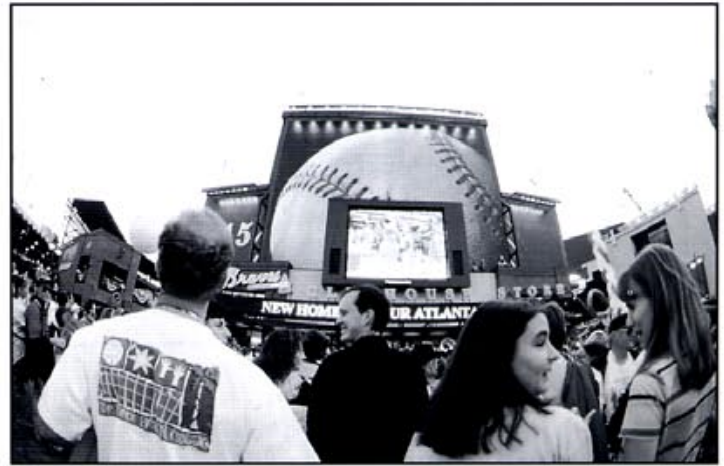
In addition to the longer trips, there are short-term motivators such as tickets to Atlanta Braves and Atlanta Falcons games. Cash bonuses are paid, and prizes such as

golf clubs, televisions and videocassette recorders are also awarded, Gordon said. Such incentive programs are becoming more popular, according to research conducted by New York-based human resources consultant Towers Perrin.

"Companies are increasingly bringing incentive programs down farther into the organizations," said Bill Delahanty, a Towers Perrin consultant working in the company's Atlanta office. "The trend started probably 15 years ago; and every year, it seems to be growing wider."

A recent Towers Perrin study found that about 60 percent of companies surveyed had incentive plans for employees below the executive ranks, Delahanty said.

Some companies offer stock options to their lower-level employees. Atlanta-based The Home Depot Inc.



Take 'em out to the ballgame: Perks, such as tickets to Atlanta Braves games, are becoming more popular among employers to lure new workers.

(NYSE: HD) is one of the best known.

But, Job One is finding the employees who will be able to take advantage of the incentives and compensation packages. That's done in the hiring process. Because costs associated with employee turnover are

High performers have "I can" attitudes and a willingness to accept responsibility for failures, Quinn said. There are many things to watch for in finding a top performer, but high on the list is consistency, she said.

Track record

Gordon, whose privately held company charts annual revenue of about \$15 million, said he looks for consistency.

"People are likely to do in the future what they have done in the past," he said.

To find out what kind of track record job candidates have, he tries to have discussions with an applicant's co-workers and supervisors, along with the standard practice of contacting former bosses and other references supplied by applicants.

"Generally, you can get a feel for someone's background just by listening very carefully and knowing what to listen for," he said.

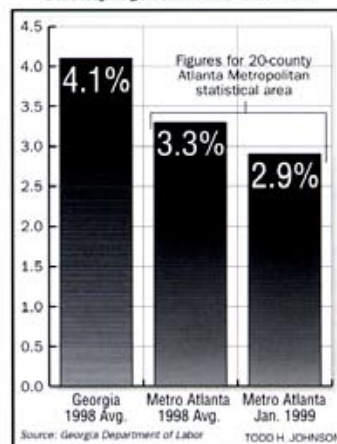
Solmson said his company performs some intense screening as well.

"We do a pretty focused phone interview first, and then we bring them in a couple of times. Then, I'll sit down and meet with them," he said. "You want to make sure you're getting the same signals all along the process."

Solmson's company employs about 30 people. He has been trying to fill a tough position for the last month or so. It requires someone with extensive computer and printing skills, but the combination is hard to find. Solmson said he doesn't expect to find an exact match.

"We want to get as close as we can, and go from there," he said.

Unemployment rate still low



high, employers are placing more emphasis on making good hiring decisions by conducting the best interviews they can, said Carol Quinn, president of Norcross-based hiring consultant Hire Authority.

Quinn said there are ways to identify "high performers" by skillfully conducting interviews and paying close attention to the words and mannerisms of job applicants. She conducts seminars on the subject to help employers learn the techniques.

"Substandard interviews get substandard hires," she said. "If you hire some one bad, you're going to pay for it. If you hire somebody good, you have the added value, the added profit."