

TEAM TURNOVER AND BELOW STANDARD HIRES

It's time to realise we are not in the real estate business we are in the people business. With the developments in technology in the industry in recent years and ongoing into the future, so much can now be automated or outsourced, however the changes have created an even higher expectation from our clients. They want a good experience and they want it NOW.

The value today is in the quality of your team and your culture and everything flows from there. These are the people that you rely on more than ever to offer great service and find a HUMAN CONNECTION with your clients.

Unfortunately, many businesses experience high team turnover without ever fully understanding the reasons why. There are many factors including, bad culture, bad leadership, lack of job satisfaction, lack of pathways etc., however one that is common but rarely delved into is that we are hiring the wrong people to begin with.

Stuck in a cycle of people leaving and the remaining team busy being busy with the constant fallout, many businesses find themselves hiring "under pressure" and re-actively, lowering standards as a result and thus accepting the wrong candidates. Generally, most businesses recruit via two methods – a recruiter, or via an internal advert and manager.

SOURCING FROM A VARIETY OF RECRUITERS

Let's be clear, there are some good recruiters out there, (just like there are good and bad agents in our industry) but they can be hard to find. In this article however we are discussing the experience that many businesses have and the impact of using the below standard providers.

STAGE ONE

- Recruiter sees your advert on seek and uploads their own secondary "shadow" ad.
- Collects resumes, sometimes interviews in person, sometimes over the phone.
- Puts forward a candidate, you (or one of your managers) interview them (generally under pressure as you need someone asap, also generally an ex sales person or ex PM whose area of expertise is unlikely to be interviewing).
- Recruiter negotiates a salary, sends letter of offer, may or may not send you and the candidate a few follow up emails or calls.
- Candidates are often inadvertently over sold by recruiters who aim to understand our industry or worked in it some years ago etc.

FROM STAGE ONE WE GENERALLY HAVE ONE OF THREE OUTCOMES

OUTCOME ONE

- New team member doesn't get quite enough support in transition / OR / they don't have quite the level of skill the recruiter "sold" them as having and they feel overwhelmed.
- New team member either leaves OR you finish them up (once you realise recruiter "over sold" them OR your manager overlooked concerns as they felt pressure from team to get a "bum on a seat").
- Recruiter agrees to find you a replacement – at this point generally just trying to fill a gap with minimal care factor as they know they only have ONE replacement guarantee to cover.
- Next candidate puts you back at the start of this journey with one of the 3 outcomes now back in the mix. Risk is higher, plus the stress and loss of productivity this has had on your team and your clients.

OUTCOME TWO

- Successful recruit performs well for 9-12 months then seems to lose interest or drop off.
- They leave shortly after – did they get what they were "sold" about your business by the recruiter initially (and were you even told what that was)? Were they out of their depth being "oversold" by a recruiter and eventually role got out of control – snowball and run effect? Or were they poached?
- Often you find out that the recruiter who placed them with you has placed them again.
- You start the journey again, all the while with the loss of productivity, impact on team and culture and clients.

OUTCOME THREE

- Candidate is fantastic and stays in your business for 2 years +

This one is rarer than you think, if you do the numbers it is likely you will find that the first two outcomes are much more common.

You are basically paying someone 10-15% of a salary on every transaction to disrupt your business.

We are not saying don't use recruiters, we are saying stop being reactive and working with whichever one offers you a low fee or a "fast" deal – this is no different a client choosing the cheapest agent to sell their house. or jumping from agent to agent. frustrating right?

Take the time to find a great recruiter and build an ongoing relationship. Someone with good ethics that will take the time to integrate themselves into and understand your business. Build an understanding with this person that has mutual trust and respect. When you have a quality person, with a solid understanding of the culture and needs of your business sourcing your people, that is when you will see positive results.

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YOUR OWN MANAGERS AND HUMAN RESOURCES TEAM MEMBERS

We need to accept that in our industry it is not uncommon for these people to be:

- An ex sales person or ex property manager who has progressed to a management role.
- An ex administration person who has grown through ranks into a business manager or Human resources type role.
- (Very rarely will a real estate business have) a person qualified in Human Resources via a degree – qualified in the technicalities and legislation (generally they are not experienced in the specific requirements of the Real Estate industry), and not necessarily a people manager or an effective interviewer / recruiter (depending on the type of HR study undertaken).

All these people rarely possess all the required skills and knowledge to interview effectively for your specific industry,

- Often, they “sell” the business to candidates in interviews (ask yourself honestly if you find yourself doing this in interviews, sitting there telling someone all the positives about your business structure, rather than putting them under pressure and making them sell themselves to you?)
- Often, they are feeling pressure from other team members if a position has been vacant for a while, this creates what we call “ignoring the gut syndrome”, they meet a candidate and there are “warning signs” but they shut off that voice in their head and overlook it because they are so desperate to get someone in a role and relieve that pressure.
- Generally, they lack the “people management” and intuition skills to A. place someone under pressure in an interview in the right way, and B. to recognise how general responses and personality traits manifest in job roles.

EG: they ask questions about someone’s ability at VCAT or listing as opposed to questions that will expose who the candidate is as a person. We can teach work skills; it is harder to teach attitude or morals.

Again, we are not saying that this is the case in every leadership team within every business, no doubt, some are lucky enough to have that internal person who possesses the required skills to recruit effectively, however if you are one of these and believe you are recruiting the right people but you are still experiencing turnover, perhaps you should be completing our Business Health Check!

