

criteria. Candidates who are subject matter experts (SME) are interviewed and evaluated by employees in the same area, a process we call SME-to-SME—again, birds of a feather.

QUESTIONS

1. What overall HR strategy do you think MITRE is pursuing? Is its recruiting focus broad or targeted? Does it primarily use internal or external sources?
2. What characteristics of MITRE make it particularly attractive to older workers?
3. Why is the referral program at MITRE so successful? What are some elements of success that could be copied by other organizations? What success factors do you think would be hard to duplicate elsewhere?

Source: William D. Albright, Jr., and Gary A. Cluff, "Ahead of the Curve: How MITRE Recruits and Retains Older Workers," *Journal of Organizational Excellence* 25, no. 1 (2005): 53–63. Reprinted with permission of John Wiley & Sons, Inc.

DISCUSSION CASE

Friendly Financial Works

Friendly Financial Works is a fictional provider that sells accounting, payroll and financial services to small businesses. The company uses an integrated software platform to help small businesses better manage their financial assets. Based on the assumption that small business owners often lack the expertise and time to manage financial assets effectively, Friendly Financial seeks to provide a relatively inexpensive "one-stop-solution" for financial planning and control.

Friendly Financial's business model calls for providing services at the lowest cost rather than giving customized service to each client. To be successful Friendly Financial needs to lower its costs by continually increasing the number of small businesses that use its services. The success of Friendly Financial thus depends largely on its sales force.

The sales force is divided into geographic territories, with a territory manager having exclusive responsibility for all sales activity within a specific area. Territories are organized into sales districts. The average number of territories in each district is 20. Each district is led by a district sales manager who oversees all personnel activities, such as hiring and training, in the territories within his or her district.

Territory managers are paid on a commission basis. They generate most of their sales by cold calling on potential businesses. A typical day consists of 10 to 15 unannounced visits to small businesses. The territory manager seeks an appointment with the owner or manager of each firm he or she visits. When an appointment is granted, the territory manager makes a presentation and tries to develop a contract between the small business and Friendly Financial.

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As with most unannounced sales calls, a large majority of visits end without a contract to provide services.

A major concern for Friendly Financial Works is identifying and keeping enough territory managers. The turnover rate is approximately 200 percent each year. This means that a district sales manager must usually hire about 40 new employees in a given year. In most cases, when a job vacancy occurs, the district sales manager travels to the sales territory to begin recruiting. The district sales manager places an advertisement in the local newspaper and includes a telephone number for potential recruits to call. The manager then spends three to four days at a local hotel answering phone inquiries and conducting interviews. The territory manager position is usually offered to the best available candidate on the final day that the district sales manager is in the territory.

District sales managers pride themselves on being able to land the sales representatives they like best. Many district sales managers boast that they can sell anything to anybody, and this is how they approach employee recruiting activities. Because they are talented sales representatives, district sales managers generally do a great job of touting the benefits of the position.

QUESTIONS

1. What aspects of the recruiting process increase the likelihood that territory managers will leave once they have been hired?
2. Should Friendly Financial use other methods to recruit territory managers? Which methods?
3. Is the recruiting process at Friendly Financial efficient? What are some things that might be done to reduce recruiting costs?

EXPERIENTIAL EXERCISE

Learning about your career center

Visit the career center at your school. Meet with a career counselor. As you learn about the services offered through the career center, try to find answers to the following questions:

1. What services does the career center offer?
2. How can the career center help you find a job? When should you start working with the career center? Are there things you can do long before graduation to improve the effectiveness of your job search?
3. What companies have good relationships with your school? Which of these companies hire people in your field of study? What characteristics do they look for in employees?
4. How do you go about using the career center to locate job openings? Does the career center support a Web site? Can you apply for as many jobs as you want?
5. Does the career center maintain a list of alumni that currently work for specific companies? Can you use this list to network with potential employers?
6. What other services, such as interview training, are provided through the career center?