

28 July 2006

By: Sci/Tech News Staff, -



Small Businesses Profit by Hiring People Who Fit into the Firm's Culture

Small businesses that create a "family-like atmosphere" prosper more

Small businesses profit by hiring workers who fit into their company culture, creating a "family-like atmosphere" where employees are trusted to manage themselves. That is the finding of a study by Christopher Collins, Cornell associate professor of human resource studies at the School of Industrial and Labor Relations. Collins found that small businesses that follow such strategies reap 22 percent more revenue growth, 23 percent more profit growth and have 67 percent less employee turnover than companies that do not have such hiring criteria. The successful hiring strategies include: * Hiring employees to fit in with company culture, rather than just hiring solely on a job candidate's individual skills. * Trusting employees to manage themselves, rather than enacting strict controls. * Creating a family-like environment, rather than trying to motivate employees solely through money. The findings are based on surveys of owners, managers and employees of 323 small businesses that employed between eight and 600 employees from across the country, with Florida having the most participating companies, said Collins. The findings are the fourth installment on a two-year, multiphased workplace study sponsored by the Gevity (soft "g") Institute, a human resources outsourcing and consulting company for small businesses that supports research at universities and businesses. "The companies also range across a wide array of industries," Collins said. "We developed the initial set of companies based on clients of Gevity and a matching sample of non-Gevity clients identified by a small business marketing research firm." Collins will be presenting the findings of his study at the Annual Academy of Management Meetings in Atlanta on Aug. 14. He will be joined by co-author Matt Allen, Cornell Ph.D. '06, who is now working at the College of Business Administration at Northeastern University, Boston.