

Evaluating Your Employee Selection And Retention Plan

By Maryanne T. Preston

An integral part of a company's business plan, that is often forgotten, is your employee selection and retention plan. Do you have a system in place that is used consistently at all levels to attract, select, hire and train new employees? Are you successful at hiring honest, productive, hardworking, loyal employees? Do you know your rate of employee turnover and what it is costing you? Are you consistently training your employees and providing them with what they need to grow professionally and personally?

Although unemployment rates have risen in many areas, subcontractors are still facing the same difficulties hiring good employees as in the past few years. How can a subcontractor be sure that the tradesman, bookkeeper, controller, project manager, estimator, purchasing agent, receptionist, etc. will be a honest, productive, hardworking, loyal employee?

Most subcontractors have found out the hard way that the "body and mirror method" of hiring doesn't work. This is when they need a body and if the candidate can steam up a mirror he is hired. Not only does this method not work, but, it can cause disastrous consequences. The wrong person gets hired, that person doesn't fit into the work environment, it adversely affects employee morale, "good" employees get fed up and leave, productivity lags, customers are unhappy, and it continues down from there.

Successful companies have learned how to reverse the spiral and increase profits with a strategic employee selection and retention plan. They are spiraling upward by using the tools available to select top performing employees that fit the job and their company culture. This results in improved employee morale and productivity, which attracts other "good" employees, as well as, generates more volume and increases profits. By using sound hiring strategies, retention strategies, and reward strategies, successful subcontractors are beating their competition and winning the war for good employees and market share.

What is a successful employee hiring and retention system?

To be legal and comply with ADA and EEOC requirements, your system must be consistent, documented and nondiscriminatory. There six basic steps to follow in your hiring system.

The six steps are:

1. Job Description
2. Recruitment
3. Job Application
4. Interviews
5. Job-fit assessments
6. Background Investigations

By using the six-step process consistently, a subcontractor will automatically comply with EEOC and ADA regulations, have superior staff quality and productivity, reduced turnover costs, and improved employee morale resulting in less, but better recruiting opportunities.

The Job Description is the pivotal point of the whole system. It defines the hiring process and provides criteria for evaluation of candidates and employees. It should be written and customized, and kept up-to-date for each job in the company.

Recruitment strategy is an ongoing marketing strategy to attract high quality employees. Some companies establish relationships with colleges, trade schools, technical schools, middle and high schools, offering internship programs, mentoring programs and other types of community service to build a bridge between industry and education, while creating a conduit for bringing a steady stream of talent into their companies. Other recommended recruiting methods are networking with customers, suppliers, industry associations, colleges, and trade schools.

A thorough job application provides the employer with all information needed to continue the hiring process. It puts all candidates on a level playing field. It should include a Statement of Accuracy Disclaimer, signature, and attached Inquiry Release.

The interview process will vary according to different job descriptions. Some jobs require a single interview and others will require 3-4 interviews. The purpose of the interview is to acquire information as it relates to the job description and then use it in making the hiring decision. Unfortunately, candidates are not always candid during the interview and studies have shown that 25-30% of job applicants don't reveal their criminal records, misrepresent educational degrees, salary history, employers, and dates of employment. This, combined with the subjectivity of the interviewer gives the interview, when used alone to make a hiring decision, a 14% validity rate.

Technology and the Internet have made available new tools that contractors and subcontractors are using to enhance their successful hiring and retention strategies. The Hiring Suite® On-line Pre-employment Testing System is one such program, which has five separate assessments that enables subcontractors to measure honesty, substance abuse, reliability, work ethic, personality traits, mathematics, vocabulary, spelling, and problem solving skills. It also has an assessment for Team Building.

The job description determines which assessments are appropriate and when to administer them. For field positions, it is recommended to administer The Insure Survey® Integrity test at the beginning of the hiring process. Many companies administer it with the job application, even before the first interview. After all, if a candidate's integrity, reliability, work ethic, and attitudes toward substance abuse are below your requirements, why waste your valuable time even talking to them? If minimum levels of problem solving, math, spelling and vocabulary skills are required, the Johnston Index® Aptitude test is administered. For key positions that require interaction with suppliers, clients, General contractors, other subcontractors, etc. companies administer the Personality Plus® Assessment. The Personality Plus® measures ten traits of personality that are essential to business. These traits include organization, sensitivity, imagination, flexibility, recognition, tension, probing level, social need, assertiveness, and competitiveness. Hiring Solutions, www.Hiring-Solutions.com, the consulting firm that distributes The Hiring Suite program, works closely with you to create custom job profiles based on your job descriptions, the traits of your successful employees in that job, and your company culture. The program compares the candidate's Personality Plus scores to your custom job profile and tabulates the percentage of match. Most companies consider 85% as the minimum match to their custom profiles.

ASA member, Tony Stanley, who is the Service Manager at Olympic Pools, Inc. in Shakopee, MN writes, "We are very happy with the results we've gotten from using The Hiring Suite. We recently launched a recruiting campaign to hire construction workers. We had 197 responses to our ad and, in order to find the best 15 candidates, we used the Hiring Suite to help us make our decisions. We administered Insure and Johnston Index to approximately 30 candidates and found the results to be informative and accurate (as far as we can tell so far). Further, we have used the Personality Plus (in addition to the other two) on our Field Superintendents. We found the results to be very accurate and useful for coaching and performance reviews. Overall, The Hiring Suite is a very useful tool to help screen potential hires and use as an aid for improving current employees."

Employee Background Checks range from verification of the facts on the job application to extensive investigation of the candidate's credit, driving, criminal, education, credential, worker's compensation, and employment history. Although,

it is difficult to obtain meaningful references, employers risk serious liability if they do not inquire sufficiently into an applicant's background. To limit exposure to negligent hiring doctrine, owners should tailor the investigation to the job sought, get a signed release from the applicant, check as many references as possible (last 10 years or 3 prior employers), document all references, even those which provided no information, and make no offers until completing the background and/or reference check.

As the job applicants go through this hiring process, an employer can make a sound hiring decision because each part of the process validates the other parts. No one step has more weight and the subjective steps (interviews and references) are validated by the objective steps (job application, assessments, and background checks). The new employee will fit the job description and company culture. The employer will have the necessary information to create retention and reward strategies customized to the new employee. Employee retention will increase and the business owner will realize increased profits due to decreased turnover costs and higher productivity.

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