

STRUCTURAL BUILDING COMPONENTS MAGAZINE (FORMERLY WOODWORDS)

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"It's War Out There" by Mel Kleiman

NEWS FROM THE FRONT

Employee turnover has long been recognized as a drain on resources and is now worse than ever. According to the most recent survey conducted by the Bureau of National Affairs, Inc., employee turnover rates have climbed to their highest level in nearly 20 years and employee departure rates have far outpaced those recorded earlier in the decade.

To make matters worse, a Baby Boomer will turn 50 every eight seconds for the next ten years. That's 11,000 every day. And, as Boomers retire, there won't be enough 20- to 40-year-olds to take their place. By 2025, Americans over 65 will outnumber teenagers by more than two to one. These are just a few of the reasons we predict the labor shortage will continue for at least the next ten years and perhaps for as many as 20.

When it comes to wood truss industry labor, a recent Hewitt Associates report concludes turnover is steadily becoming a major issue with part-timers and hourly employees in general and that hourly workers are among the four groups of employees that are—and will continue to be—the most difficult to attract and retain.

WHEN TROUPS ARE LOST IN ACTION

Things are already so bad that employers in some industries are blatantly stealing hourly employees from their competitors. In Orlando, hotels are handing out recruitment flyers to employees of other facilities just off-property. One of our grocery industry clients told us how red-faced he was when he went employee shopping at a nearby competitor's store. He walked up to a man doing a great job restocking the soup section and gave him his recruiting card. The man turned out to be the store's owner!

Our country's largest employers have seen the demographic writing on the wall and are responding with beefed up recruiting campaigns. The U.S. Army now offers an enlistment option where recruits can receive up to \$20,000 as a signing bonus and \$50,000 for schooling. WalMart has committed significant resources to a long-term recruiting campaign with the goal of attracting the cream of the crop as they enter the workforce.

Government agencies, accounting firms and independent consultants keep spewing out appalling numbers about the cost of employee turnover. The obvious drain on re-sources and profitability would inspire an immediate response if someone thought it could, in fact, be fixed.

NOT ALL WAR STORIES ARE TRUE

The big myth—the underlying, unspoken assumption—is that employee turnover comes with the territory. There are counter-indicators out there though. In industries where turnover of over 100 percent per year is commonplace, there are a handful of companies in each with rates well below the norm. What these companies have discovered is that the key to gaining the high ground is to remember that whatever gets our attention improves. The difference between these exemplary firms and the competition is that their top brass:

- Rejected the common notion that employee turnover is inevitable.
- Made supervisors and department heads accountable for controlling it and gave them the resources they need to do it.

YOU'LL NEED NEW WEAPONS TO WIN THIS WAR

One thing is for sure, the “Now Hiring” sign or an ad in the local employment classifieds just won't cut it any more.

Many of the young people entering the workforce today don't even bother with the paper—they go straight to the Internet. Have you looked into posting your jobs with on-line sites such as:

- CareerMosaic, www.careermosaic.com
- Job Track, www.jobtrak.com (for full-time, part-time and intern college grads)
- GotaJob, www.gotajob.com (specializing in full- and part-time hourly workers)
- Monster Board, www.monster.com
- America's Job Bank, www.ajb.dni.us (run by the Department of Labor)

In the wood truss industry, probably one of the most effective recruiting tools you can implement is an employee referral program. Give an intriguing reward like a Krugerrand or family passes to a theme park to employees who refer applicants who get hired. You can increase your reach by making employees' family members, your customers and vendors eligible for the reward too. Just think of all the people you could have out there recruiting for you.

TIMELY TACTICS

Here's a summary of some of the more effective tactics being used to win the recruiting and retention battles at companies where they either can't or don't want to engage in a bidding war for employees:

- Many are tapping underutilized sources like the Welfare-to-Work programs; civil service retirees; hiring for diversity through outreach programs to minority communities; actively recruiting people with disabilities, parolees and ex-offenders; and using the Jobs for Americans (JAG) program.
- Realizing that all the good people who want to work are already working, employers are turning to 24-hour job hotlines and web sites so people can apply at their convenience—not the employers.
- Many offer hiring bonuses, adjust wages to reflect the market and improve the work

environment.

- Where flextime used to mean the employee worked whenever the employer deemed it necessary, employers now routinely work to accommodate workers' schedules.
- Some give managers a budget for employee reward and retention programs (programs like these attract new hires).
- Job sharing is on the rise because it appeals to people who are trying to juggle work and school or work and child- or eldercare.

THE ONLY WAY TO WIN THE WAR

But tactics will only get you so far. What you need is a long-range battle plan. As time and countless balance sheets have shown, the single most important factor in whether companies succeed is not growth strategies or technology; it's the way those firms recruit, select, manage and retain their people.

Your organization can gain a tremendous competitive advantage simply by shifting from yesterday's hiring and management practices to tomorrow's. We're talking survival of the fittest here and the fittest know how to adapt. Those who are leading the pack have three things in common:

- The significance their leaders place on employee selection—at every level.
- Their commitment to "Employees First, Customers Second."
- A focus on people-centered excellence.

Those who are winning this war never lower the bar and hire just anyone with a pulse. They know good people like to work with other good people and one bad hire can cause five good people to leave—especially at the management level.

They've discovered that the greatest cause of employee turnover isn't the tight labor market, corporate downsizing or career advancement—it is due to hiring mistakes. Because of this, they've developed selection systems and are using pre-employment testing to help hiring managers screen in the best.

Then, once hired, they do a lot of little—and surprisingly inexpensive—things right to keep these carefully chosen teams motivated and loyal.

What follows is a list of what today's workers tell us they want. The more of these things people can say about their jobs, the more they enjoy them, and the longer they stick around:

- I know what is expected of me at work.
- I have the materials and equipment I need to do my work right.
- I have the opportunity to do what I do best every day.
- In the last week, I have been recognized for good work.
- My supervisor or someone at work seems to care about me as a person.
- Someone at work encourages my development.
- In the last six months, someone at work has talked with me about my progress.

- My opinions seem to count.
- My company's mission/purpose makes my work seem important.
- My co-workers are committed to quality work.
- I have a best friend at work.
- In the last year, I have had opportunities to learn and grow.

This list was the result of an in-depth study by the Gallup Organization, and the kicker is that it shows a consistent, reliable relationship between these 12 worker beliefs and bottom line measures like productivity, employee retention and customer loyalty.

"Employees first" means the same thing that "customers first" used to—make them your priority, give them your attention. What we know now is that when we put employees first, they put quality and productivity first, and everyone wins.

Back in 1919, long before the first modern-day CEO ever declared, "Our employees are our most important asset," Proctor & Gamble's articles of incorporation were revised to include the directive that the "interests of the company and its employees are inseparable." Hmm, maybe they were on to something.

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[SBC HOME PAGE](#)

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