

ESSENTIAL STEPS TO

LABOR SHORTAGES ARE AN INDUSTRYWIDE EPIDEMIC. HERE'S HOW TO HIRE AND RETAIN TOP TALENT

By Tony Callahan

There was a time when employees stayed with one employer throughout their entire careers. That's rare these days. Today, builders, trades, suppliers, and manufacturers are all struggling to attract good people. So, how do you find and retain quality employees?

1 IT STARTS WITH HIRING. Making the right hires is one of the most important things you do. Don't take on people who change jobs as often as they renew their license plates. A career that spans 20 years and 15 jobs should give you pause. Understand the difference between a quality employee and one who's waiting for the next opportunity. Seek out people who are loyal, committed, and passionate about what they do.

2 BECOME THE EMPLOYER OF CHOICE. You don't build a reputation as a place that people want to work based on national survey ratings; it's the result of what current employees say about you in the marketplace. Good job applicants are better informed than in the past: Just as you check their references, they'll check yours. A good applicant will want to talk to your employees, suppliers, and even your customers. Promising prospects want to work for employers that have core values consistent with theirs, and they'll check to make sure that the stated values are lived out through the organization. Becoming an employer of choice means creating a culture where people feel a part of something bigger than building houses, installing materials, or supplying or fabricating products. That's the cornerstone of keeping quality employees.

3 INVEST IN YOUR LEADERSHIP TEAM. To your employees, the leadership team is the company. Provide that team with training and feedback that goes beyond technical training. Seminars, workshops, mentors, team facilitation, employee development, and change management should be included, as well as soft skills that help leadership be more effective with their team. Lead your leaders by example and they'll probably follow. Encourage them to do



GOOD HIRING

360 reviews—holistic assessments will continually improve their leadership of others. Help members of your leadership team identify and resolve small issues before they become problems that affect morale.

A grad school professor taught me the Pinch Theory, which encourages team members to address issues when they're small, before they spiral out of control. It works like this: If someone says something that you think may have been taken the wrong way, have a one-on-one with that person and ask for clarification. That allows both parties to clear the air so ill feelings don't linger in the working relationship.

4 TREAT PEOPLE WITH RESPECT. This one is obvious but bears repeating: Public praise and appreciation, especially for efforts above and beyond, goes a long way. According respect earns respect. The old adage to treat people like you want to be treated is a good start, but there's risk in assuming that everyone views the world as you do. Instead, treat people the way they want to be treated. To do that, you have to get to know the individuals you manage. Spend time with your team, understand the challenges they face on the job, and do all you can to help them. If you do need to address poor performance, always do so in private, in a one-on-one setting.

5 BENCHMARK COMPENSATION FOR EACH JOB IN YOUR ORGANIZATION. Know the market rate for the people on your team—specifically, what a competitor is willing to pay them. Compensation within the home building industry has skyrocketed in the past couple of years because there aren't enough good people to go around. Competitors are driving up compensation packages, and some offer management titles for positions that don't require managing anything. That's not something I recommend, but it's worth bearing in mind when comparing compensation rates in any benchmarking survey. Consider what the employee actually does, rather than just their title. Pay for the work that is done, the value that is added, and not some arbitrary title. If you don't pay your team competitive rates, the competition will.

6 LEAD PEOPLE; MANAGE PROCESSES. Nobody I know wants to be managed; they want to be led, inspired, and appreciated. Methods vary depending on the knowledge and experience of the individual, as well as the tasks they are assigned. An employee with low knowledge and no experience at performing a new task will need more hands-on management. Those with high knowledge and significant experience are likely to take offense to a leader who treats them as if they don't know how to do their job. The key here is to understand that a long-term employee should be led differently depending on the task that they're assigned. Just because they have been around a long time doesn't mean they know how to do new tasks or even how to do their current tasks in new ways. I've seen employees fail when a manager delegated a new task without the proper guidance and training. Your leadership approach should be flexible for the employee and situation.

7 UNDERSTAND THAT RETAINING QUALITY PEOPLE IS GOOD FOR BUSINESS. Turnover can prevent a company from achieving its long-term goals. The hiring process is long, the stress put on a team that is shorthanded takes a toll on everyone, and onboarding new employees takes time (even more time for them to be productive members of the team).

But turnover isn't all bad. Poor performance is worse, in that it can contaminate your team. Do all you can to help subpar performers be successful by providing specific direction, training, and clear expectations of performance, but take action when needed. Good employees who work hard will resent a manager who fails to address employees who are not pulling their weight.

Most companies realize the impact that a good employee can have on their organization and they are anxious to fill open positions. In this hiring climate, don't settle for less than ideal: recruiters are hitting the phones, leveraging social media, using any means they can to fill their clients' need for quality employees. **PB**

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