

The Ins and Outs of Hiring

Many companies that down-sized during the recession are preparing to grow. That means they will be expanding their business, which ultimately leads to hiring additional help. This month, contributing editor Tom Swartz talks with a remodeler and an HR consultant about the recruiting and selection process for employees, both in the office and the field.

This month featuring:

Doug Delp, founder and president of The Delp Group, a full-service human resources consulting company and benefits brokerage firm. Founded in 2005 in Green Lane, Pa., the five-person company offers services around recruiting, compliance with employment regulations, and development of effective benefit and compensation strategies.

Lizie Gemmi, co-owner, Gemmi Construction, which she started with her husband, John Gemmi, in 1997 in Mechanicsville, Pa. The full-service remodeling company has 14 employees and annual revenues of \$3-plus million.



DOUG DELP



LIZZIE GEMMI

Tom Swartz: *How do you determine the personnel needs and priorities for a growing company?*

Lizie Gemmi: To be honest, as we've seen in the last couple of years, you can't necessarily predict what's going to happen. So we try to be proactive to stay ready for whatever occurs.

For field staff, we try to hire at an entry level and train from within. That way, when there's an opening for a carpenter or lead carpenter position, we have someone ready who understands how we work.

We are fortunate to participate in a co-op program with a local tech school. Students work in local companies for four hours a day during their last two years of high school. The whole time they are with us is a kind of extended job interview. It also gives us an opportunity for a long training process.

Doug Delp: I have found that the most effective recruiting technique is to develop talent organically, as Lizie explained. But when you are looking for a higher-level position, like a like an

estimator or bookkeeper, one of the biggest challenges with most businesses is that the need is relatively immediate. Often, remodelers want a hire to fill a variety of roles. But it's rare to find a single candidate who is good at everything.

Tom: *Tech schools may not be an option for everyone. What other options are successful in finding the right person for the job?*

Doug: The best recruiting or "sourcing" technique is always networking—reaching out to see if anybody you know knows someone who might be a fit. One advantage is that the names you get are known quantities.

The other techniques have changed a lot. Newspapers used to be the tried and true sourcing tool, and next came job boards, like Monster or Craigslist. But the trend now is social media, specifically LinkedIn. You can search for par-

ticular types of people in specific industries and see their connections, ask for introductions, and find out a lot about them.

Lizie: We have two different approaches, depending on the position. For an office manager, estimator, or production manager, I always reach out to Doug. He places all of the ads, reviews the resumes, and even does preliminary phone interviews. In the end, he brings use just the final candidates.

But that method doesn't always work for field staff. Carpenters don't jump on Monster to look for a job, and most of them don't have a LinkedIn account. So while we try to be proactive, recently we lost a lead carpenter just as we were ready to grow. That's unusual for us, but we needed to fill the position quickly. We put it online and got a lot of applications, but we weren't getting the right people.

What we found worked best was word of mouth. We went to our trade contractors and our suppliers, even our own employees, asking if

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they knew of someone who would be a good fit. Because often the best people are already working for someone else. So if you just get the word out there, you can find them.

Tom: *Do you use a written job description for all positions, or just for office jobs? How often are they reviewed?*

Lizie: We have written job descriptions for all positions in the company. And they need to be reviewed often, because the scope of work can change. It's important to make that clear so that everyone understands expectations. Otherwise, our idea of what the job entails, and the candidate's idea, might not agree.

Doug: Lizie is spot on. And, while a job description is important, we also recommend having a performance management plan that sets annual goals used to evaluate performance. Reviewing those goals for each person in the organization keeps the job descriptions up to date.

Tom: *What detail is included in the application? Are there areas to avoid?*

Doug: Initially, we request a resume and cover letter. Then, when it's time for a formal interview, we ask the candidate to complete an application with a detailed employment history. But there are things to avoid. For instance, you're not allowed to ask about age, so you never ask for a birth date, or anything about race or religion.

Before you hire anyone, it's important to have a complete, signed employment application. By signing off on the document, the candidate is saying that all of the information they provided is true. It's good to have that on file so that if in the future you find out that some of that info was not true, you have grounds for termination.

Finally, you would include a release that would allow you to run a criminal background check.

Tom: *Do you check credit?*

Lizie: I don't check credit while recruiting. But we have a corporate American Express card, and they run one whenever we want to issue a secondary card to someone on our field staff.

Tom: *What about a criminal check?*

Doug: For most companies, a criminal check is important. The proper way to do it is to make a contingent offer—an offer of employment that is contingent on the results of the criminal background check.

But you have to be careful how you handle it. The federal Equal Employment Opportunity Commission (EEOC) has rules for the hiring process that you need to follow. Individual states may have additional rules as well.

Be consistent with criminal background checks. If you run a check for one candidate for a given job, you should run one for all candidates for that same job.

First, when you do a criminal check you're looking for a conviction, not just a charge. So for example, if you find a burglary charge in the person's background, but no conviction, you really can't hold that against them.

Second the EEOC says that if you decide not to hire based on a criminal check, you have to be very specific about how the conviction is related to the position for which you are hiring. So, for instance, if someone were convicted of a small misdemeanor that wasn't related to theft, you would have to show that the nature of the conviction has some direct bearing on the position in your company that you are trying to fill.

Also, criminal background checks should be done consistently. You don't have to run it for all types of jobs—you might decide not to run a check for office staff, for example. That's okay, but you want to treat everybody applying for an office position the same way. Similarly, if you decide to run a background check for one

candidate for a carpentry job, you want to run it for every candidate for that position.

Tom: *Can you ask about past convictions on the application?*

Doug: Yes, but there are some caveats. If you use a consumer-reporting agency—a third-party company—the federal EEOC requires that release forms have to be given to the candidate before you run the check. And there is a process you need to follow if you find something in their background that affects the hiring decision. Typically, you need to inform them of what you found, then allow them a certain number of days to respond to or correct that information.

If you access the public records on your own, you don't need all of those release forms. But it can be a tedious process.

Tom: *How would a remodeler go about finding someone to help with the hiring process?*

Doug: You can search out HR consulting firms. Another source is your payroll provider, especially the larger ones.

Tom: *How are these consultants typically paid? Hourly? As a percentage of the position's salary?*

Doug: I prefer a retainer and hourly charges and for most HR support. I'm not a big fan of fees based on a percentage of salary. If I'm getting paid that way, who am I really working for? There's a built-in incentive for the consultant to bring in more expensive people. On the reverse side, if a consultant is getting paid a percentage of salary, it's in their interest to shop out candidates to the highest bidder. For example, if they know Company A will pay more than Company B, that's where they'll send the names.

Tom: *What about compensation and benefits? Sometimes it can be difficult to talk about because the candidate doesn't want to underestimate what you're willing to pay.*

Doug: Sometimes it's an awkward question for the company to ask, and the candidate may not want to disclose that information either. But as recruiter, I don't move the candidate on to



I might have a candidate who says he's looking for \$50,000. When I say [the job pays] \$35,000, he says, "Oh, I'm OK with that." That concerns me. There's a cost to supporting a lifestyle, and if someone's willing to take a big pay cut, they have to explain how they're able to do that.

the later stages in the process unless I have a range. That's a service to my client, who knows they are going to get only candidates that are willing to accept what they have to offer.

You have to establish a level of trust in your first interview, because if you can't do that, I just don't think the employment relationship is going to be good going forward. For example, I might have a candidate who says he's looking for \$50,000. Then, when I tell him my client has \$35,000 to spend, he says, "Oh, I'm okay with that." That concerns me and I'll talk with him about it. There's a certain cost to supporting a lifestyle, and if someone was making \$50,000 and is willing to take this big pay cut, they have to explain to me how they are able to do that. Otherwise, I begin to suspect that the job I'm offering is a stepping stone to something better.

Tom: *Do you recommend a probation period?*

Lizie: We do not. Pennsylvania, where we operate, is an "at will" state, and a probationary period would suggest that there is a contract if a person made it through the probationary period.

Doug: I agree. Remember, with an at-will arrangement, your employment is no more secure on day 91 than it is on day 90. So I've never understood the value of a probationary period.

Lizie: But that's different from doing a temperature check. I don't see any problems with

evaluating after 90 days.

Tom: *Is immigration playing a more important part these days in the hiring process?*

Doug: This really isn't a choice: The I-9 is a federal requirement, so an employer has to complete an I-9 to establish identity and the right to work for every candidate. If a wage-and-hour compliance officer comes to your company for anything—it doesn't have to be about immigration—the first thing they say is, "Give me all of your I-9s." And if you don't have them you are fined, per I-9.

Tom: *Let me ask one more question: What advice would you give remodelers on growing their business and managing that growth?*

Lizie: I'll end it just the way I started and recommend being proactive in setting up a hiring process that works for you. And I recommend starting a relationship with an HR consultant that you can go to even if you're not using all of their services. It helps to have someone to call to ask, "What does this mean? What should I do?"

So I would say: Having the relationship, being proactive, and having a plan so that when you do have an emergency, it's not so tragic.

Doug: The key to the success of any business is the talent that they have, and making really smart hiring decisions is key. That comes down to avoiding things like the "halo effect" during the evaluation process. That's when you have someone with a good work history, and no matter what they do, or say, you've already decided you're going to hire them. Instead, I think it's important that you have a process, that you ask good, open-ended questions and get to know that person. Make sure that as a personality and from a cultural perspective, they fit. Because ultimately, they are going to lead your future success.

Lizie: I guess that would be "Hire slow, fire fast."

Doug: Something like that, yes. I'm going to remind you of that when you call and need a position filled in 30 days. **PR**

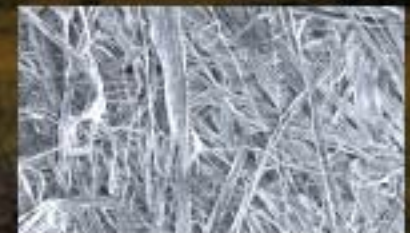
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