

The Case for Recruiters

Finding solid, long-term employees can sometimes take more time than many overtaxed HR departments are able to give.



WAYNE RUSSELL is the president of Wayne Russell & Associates LLC, a Tennessee-based executive recruiting and search firm as well as a manufacturing productivity consulting firm specializing in operations improvement, waste elimination, cost reduction, facility layout and flow, Lean implementation, line balancing, methods and bottlenecks. Visit www.wraconsulting.com or call 615-708-1224 for more information.

As someone who is in the recruiting, consulting and contracting business for many years now, I've been exposed to manufacturers all over the U.S. And it seems that now more than ever, it is becoming harder and harder to locate, attract and hire qualified people – no matter whether employers are looking for an hourly machine operator or a salaried vice president of operations.

On the lower end of the manufacturing scale, with machine operators and even skilled trades, such as maintenance techs and tool and die techs, often those employees will fail a drug test, a background/ credit check and be turned away. Alternatively, employees will quit and move to another job if someone offers to pay them \$0.25 more per hour.

Obviously, this can be very frustrating to any employer – especially if the business is located in an area with a shrinking labor pool. The longer the search goes on and the openings don't get filled, the more those companies work/ overwork their existing employees to the point that, many times, they, too, quit due to burnout or exhaustion.

There also is a lot of turnover in the salaried ranks these days. I see more and more professionals who jump ship too often – either for more money or more opportunity. Alternatively, employees are victims of company closings, layoffs or plant relocations over which they have no control. Either way, these employees scare off potential employers due to the many “short stints” shown on their resume.

Headaches for the HR Dept.

With all of this going on, the manufacturers still have to produce and ship quality products every day to a hungry and an ever more demanding customer. Usually, the human resources department is the one that is tasked with filling all the open positions that continually come up. Many times, the HR department even gets blamed for the turnover problem and is responsible for coming up with solutions and strategies to improve retention and reduce the turnover metrics that it gets beat up for every month.

What to do?

There are a number of possible options for human resources departments looking to fill an employee shortage. Among them are:

Job fairs. Job fairs can be a fun and productive way to collect resumes, although it is also time-consuming for the HR department. Many times this is done at a college or some other venue where employers mostly get new grads with little to no experience. If this is what you want, this can be a great way to get a lot of applicants. However, this is rarely the place to secure high-quality candidates with experience, unless there is a lot of unemployment in the area.

“There also is a lot of turnover in the salaried ranks these days. I see more and more professionals who jump ship too often – either for more money or more opportunity. Alternatively, employees are victims of company closings, layoffs or plant relocations over which they have no control. Either way, these employees scare off potential employers due to the many ‘short stints’ shown on their resume.”

Relocate the plant to a location with a better labor pool. Admittedly, this idea sounds a bit far-fetched, but it has been done by many companies over the years. The shrinking labor pool can drive hourly and salary wages higher and higher to the point where a company can no longer be competitive, or it can no longer hire anyone to do the work. Sometimes, unions contribute to the problem by striking for higher wages, so companies may move away to get away from the union.

Ideally, the company moves to another city in the United States, but unfortunately many times the company opts for locations overseas, where the labor is

much cheaper and more plentiful. This way the company can offset the cost of the relocation and at the same time reduce labor costs and the hiring/ retention problem. More than likely, this will not be an option available to most HR departments.

Increase the pay ranges. If a business can't move the plant, many times a company has no choice but to increase wages and pay scales to meet or beat the competition and pull resources from other local companies, or from those in locations within longer commuting ranges. This strategy can work – but it comes at a cost. Decisions like this are not taken lightly and usually come after exhausting all other viable options.

In addition, it can cause collateral damage such as reduced company benefits, cuts to indirect or salaried headcounts, increases in health insurance, extra workloads on existing employees and the like. More than likely, this will not be an option available to the HR department, either, although it should be proposed to management, if it makes sense, as part of a comprehensive staffing and retention plan.

HR Dept. Has Many Jobs

Today's human resource departments are tasked with responsibilities far beyond hiring and firing. Just a partial list of these tasks includes: insurance open enrollment; insurance plan evaluation and quotes; EEOC compliance; 401K administration; payroll, garnishments and deductions; annual compensation analyses; affirmative action plan; ADA compliance; safety and OSHA compliance; FMLA; HIPAA, if applicable; employee counseling; disciplinary actions; policies and procedures such as attendance or absenteeism policies; legal compliance; benefits and compensation admin; employee relations; employee training; and planning parties and events.

Obviously, keeping up with all of those things can be pretty time consuming. Still, for those HR departments that choose to do employee recruiting themselves, there are a few popular ways of doing it. These can include:

Create job ads and post them to the

various job boards online. This is a pretty common way of recruiting candidates today. Unfortunately, job ads are expensive, especially if they are “cost-per-click” and can run into thousands of dollars per month depending on how many job openings you post.

But the worst part are all the non-qualified people who will click on your ads clogging your email with applicants and resumes that are not even close to fitting the job requirements or skill set. No amount of qualifying questions can deter them from applying. For example, you might post an ad looking for an experienced quality engineer, but instead you get customer service reps, nurse's aides, research assistants, fast food workers, hotel clerks, forklift drivers and everything in between. Given that you don't know a good applicant from a bad one by looking at the email, you must open every resume and look at each one.

This is very time consuming and cannot be easily delegated to a clerk or assistant, who is not capable of discerning a potentially qualified candidate from all the others without practice and training. If you do, you will be inadvertently discarding qualified people you paid a lot of advertising dollars for.

Utilize the company's website by having a “careers” link. Website visitors can click on the link and review your open positions and can apply for them right there. This can be a low-cost way of getting applicants, but people must be aware of your company and intentionally go to your website to check for your open positions. Sometimes it takes a long time to create awareness before this can be a profitable process. And, you are likely to receive a lot of unqualified applicants this way as well.

Post job openings internally. It is always a good idea to post the open jobs within the plant and with your sister facilities to see if there are any internal candidates to consider. I have been very surprised, over the years, to find incredible and talented people within the hourly ranks who have soared to become high-value, long-term employees in key positions within the company.

Another Option: Third-Party Recruiters

Another good option is for the HR department to engage with a third-party recruiting company. These firms are called executive recruiters, search firms, employment agencies and similar terminology, but they all do basically the same thing. Their job is to search and provide resumes of qualified candidates who fit your stated requirements for the position you are trying to fill and who also fit the salary range and the job location criteria.

The beauty of using a recruiting company is that they become a type of off-site extension of the HR department and a business partner that is utilized, only when needed, to shoulder that portion of the hiring process, namely, search and recruiting. These companies provide you with resumes of qualified candidates to be submitted to the hiring managers for their review, potential interview and hire.

There are two basic types of searches that are the most common:

Retained searches: Retained searches are those where a client company retains a particular search firm on an exclusive contract basis to fill a position and does so by paying money upfront and then periodically at specified stages of the search along with any expenses. Usually this is for middle to senior level management folks.

Contingency searches: Contingency searches are the most common, where there is no cost to the company unless you hire one of the presented candidates. At that point, the company would be invoiced for the agreed upon amount, typically running around 20 percent of the candidate's first year's base pay.

There are a number of advantages to using a contingency recruiter:

1. There is no cost unless you hire one of their candidates, so there is no risk.
2. A partnership with the search firm offloads the resume review, search and vetting process from HR to the recruiter. This process goes on concurrently with HR department's regular duties, thereby increasing the department's efficiency.
3. The recruiting services are only used when needed, so there are no ongoing costs.

4. As a result of the employer/ recruiter relationship and agreement, the recruiting firm agrees to not poach away the company's good employees to fill other search assignments.

There are variations to this process, which can bypass the HR department initially and go directly through the hiring manager, but many times in the manufacturing world it is all funneled through the HR department by design.

Good recruiters search out and recruit those passive candidates who are not actively looking for a job, but who may be found to be interested in making a change to a new position after speaking with a skilled recruiter about a new opportunity with your company. These are usually better candidates who are skilled, talented and stable, thereby making for solid, long-term employees.

As you can see, there are a number of ways to locate and hire folks for your

company. There are many other ways, too, that were not mentioned above, such as social media, signage, word of mouth, networking, employee incentives and the like. The success of each method depends on a number of factors such as the state of the economy, the available labor pool in your location and how much time and effort you have to invest in the tasks associated with locating, attracting and hiring good people.

Recruiters, not unlike salesmen, have somewhat of a negative reputation that we are all striving to overcome. It can be a bit confusing to decide which recruiting firm to engage, as there can be many to choose from.

There are the well-known name brand "franchised" firms and the not-so-well-known independent firms. Both types are made up of people who can be professional and honest or not, so you can't really go by the name. Choosing a firm to partner

with is important, but need not be overwhelming. Contingency searches are a very low risk way to tryout a recruiter, giving you an opportunity to learn them and build trust with any new firm.

If you are considering engaging in a retained search that requires money upfront, I strongly recommend going the extra mile to research the firm's history, reputation and placement successfulness. Always ask the company for a list of referrals so you can speak with those who have done business with them in the past and, if possible, speak with some of their retained search placed candidates as well.

A company's greatest assets are its employees. If you believe this is true, you should hire the brightest and most qualified people you can find in order to stay competitive and profitable. Partnering with a great recruiting firm can help you achieve that goal. PRO

Coming Next Issue:

RV Focus: Mid-Priced Travel Trailers
 OE Focus: Electronics & Entertainment Systems
 Special Product Focus: Business Solutions
 Dealer Profile: Larry's RV

Read it only in the August issue of RV PRO!

RV PRO
 For The RV Professional

rv-pro.com

WRA Wayne Russell & Associates LLC
 Productivity Consultants

**EXECUTIVE RECRUITING
 for MANUFACTURING**

When you need the *right* person for the job.

Types of positions we help to fill:

- Managers (all types)
- Engineers (all types)
- Maintenance
- Tool & Die
- Production Supervisors
- Human Resources
- Design/Drafting

No charge until you hire one of our candidates. Plain and simple.

Call or email to discuss your recruiting needs:
 615-708-1224 | wayne@wraconsulting.com