An Employer’s Nightmare: Hiring, Retention & Turnover
Topics To Cover

• What’s Keeping Employers Awake
  • Nightmare #1:
    • Hiring: Verifying New Employee Backgrounds
  • Nightmare #2:
    • Engagement: Keeping Employees Engaged
  • Nightmare #3:
    • Turnover: Preparing For Knowledge Transfer

Construction Industry Employment

• Thus Far in 2017:
  • Construction Has Added an Average 33,000 Jobs Per Month, compared to -
  • Last 4 Months of 2016 - Average Increase of 20,000 Jobs Per Month
• 2.6% Increase YTD Since March 2016 (+177,000)
What All This Means

• Labor Shortage Will Continue.......  
• Employers Are Challenged to Find Qualified Employees  
• Employers Feel a Sense of Urgency In Filling Open Positions
Hiring The Wrong Employee

The Wrong Employee Is:
- Under-qualified
- Resistant To Change
- Absent, Late, or Lazy
- Unethical
- Prone to Error
- Selfish
- ...........

The Wrong Employee Will:
- Create a Negative Work Environment
- Quit at the Drop of a Hat
- Harass or Discriminate Against Co-workers
- Sue Your Company
- Steal From the Company
- ...........

Employer Nightmare

• Negligent Hiring Claims
  • Employer Maybe Liable If,
    • Knowingly Hires (or Should Have Known)
    • Incompetent, Unfit, or Dangerous
  • Creating Foreseeable, Unreasonable Risk of Harm to the Public, Co-workers, or Others
  • Cost To Defend (in court) – Averages $500k
Nightmare #1

The Challenge of Verifying New Employee Backgrounds

Employment Applications

• Completed By ALL Applicants
• ALL Questions/Information Completed
• No Gaps – No See Resume
• Signed & Dated
• CAUTION – Ban-the-Box
Challenge: Ban-the-Box Movement

- Current Restrictions on Criminal Background at Application Stage

<table>
<thead>
<tr>
<th>CALIFORNIA *</th>
<th>PENNSYLVANIA</th>
</tr>
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<tbody>
<tr>
<td>CONNECTICUT</td>
<td>RHODE ISLAND</td>
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<tr>
<td>ILLINOIS</td>
<td>TEXAS *</td>
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<tr>
<td>MARYLAND *</td>
<td>VERMONT</td>
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<td>MASSACHUSETTS</td>
<td>WASHINGTON *</td>
</tr>
<tr>
<td>MINEASOTA</td>
<td>DISTRICT OF COLUMBIA *</td>
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<td>MISSOURI *</td>
<td>INDIANA *</td>
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<tr>
<td>NEW JERSEY</td>
<td>KENTUCKY</td>
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<td>NEW YORK *</td>
<td>WISCONSIN *</td>
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<tr>
<td>OREGON</td>
<td>HAWAII</td>
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</tbody>
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Challenge: Ban-the-Box Movement - Contractors

- Number of Cities Have Ban-the-Box Restrictions for City Contractors

<table>
<thead>
<tr>
<th>California – Compton</th>
<th>Massachusetts – Boston</th>
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<tbody>
<tr>
<td>California – Richmond</td>
<td>Massachusetts – Cambridge</td>
</tr>
<tr>
<td>Connecticut – Hartford</td>
<td>Massachusetts – Worcester</td>
</tr>
<tr>
<td>Connecticut – New Haven</td>
<td>Michigan – Detroit</td>
</tr>
<tr>
<td>Indiana – Indianapolis</td>
<td>Michigan – Kalamazoo</td>
</tr>
<tr>
<td>Kentucky – Louisville</td>
<td>Pennsylvania – Pittsburg</td>
</tr>
<tr>
<td>New York - Syracuse</td>
<td>Wisconsin - Madison</td>
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</tbody>
</table>
Minimizing Your Risk

• Verify Applicant’s Work History
• Attempt To Obtain Reference Information From Past Employers
• Increase The Scope of The Pre-employment Verification (high risk roles)
• Consider Criminal Record Checks (FRCA Compliant) – At The Appropriate Time
• Document All Pre-employment verification Efforts
• Use Effective Interviewing Techniques

Why Topic Is Important

Discrimination Charges & Employment Lawsuits FY2016

<table>
<thead>
<tr>
<th>EEOC Charges Filed1</th>
<th>91,503</th>
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<tbody>
<tr>
<td>Merit Resolutions</td>
<td>15,832</td>
</tr>
<tr>
<td>Monetary Benefits (Merit Resolutions – all statutes)</td>
<td>$348,000,000</td>
</tr>
</tbody>
</table>

- does not include

**AVERAGE “Merit Resolution”** $22,000

Litigation:

<table>
<thead>
<tr>
<th>EEOC Lawsuits Filed</th>
<th>114</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merit Lawsuit Resolutions</td>
<td>139</td>
</tr>
<tr>
<td>Monetary Benefits (Resolutions through Litigation)</td>
<td>$52,200,000</td>
</tr>
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</table>

**AVERAGE LITIGATION:** $375,000

https://www.eeoc.gov/eeoc/statistics/
Nightmare #2

Keeping Employees Engaged

Employee Engagement

• How Do You Define Employee Engagement?

   “Emotional connection an employee feels toward his or her employment organization, which tends to influence his or her behaviors and level of effort in work related activities.”

• Business Dictionary
Why Is Employee Engagement Important?

Engaged Employees

• 2x Higher Customer Loyalty
• 2x Higher Productivity
• 2x Lower Turnover

Disengaged Employees

• Cost companies approximately $3,400 per $10k of salary

Employee Engagement Improves Retention

5 Ways To Engage Employees To Help Retain Top Talent

1. Ensure Employees Know Their Work Matters
2. Establish A Strong Corporate Culture and Communicate It
3. Build and Strengthen Employee Links With Team Activities
4. Define Employee Career Paths
5. Offer Job Flexibility and Work-Life Balance
Employee Engagement (& Retention)

- Selection of Right Candidate (Pre-screening) – Fit Is Important!
- Be Prepared For New Employee On Day One!
- Immediately Empower New Employees – They’re More Likely To Stay
  - Catch On To The Culture Quickly
  - Acquire A Network Of People Who Can Help Them Be Successful (Mentorships?)
  - Feel Supported In Their Career (Current And Future Roles)
  - Understand How Their Work Fits Into The Company

Beyond Engagement

The Pyramid of Employee Needs

**INSPIRED EMPLOYEES...**
- Get meaning and inspiration from their company’s mission
- Are inspired by the leaders in their company

**ENGAGED EMPLOYEES...**
- Are part of an extraordinary team
- Have autonomy to do their jobs
- Learn and grow every day
- Make a difference and have an impact

**SATISFIED EMPLOYEES...**
- Have a safe work environment
- Have the tools, training, and resources to do their jobs well
- Can get their jobs done efficiently, without excess bureaucracy
- Are valued and rewarded fairly

https://hbr.org/2015/12/engaging-your-employees-is-good-but-dont-stop-there
Nightmare #3

Knowledge Transfer & The Future

Knowledge Transfer

• Definition:
  • Replicating the expertise, wisdom, and skills possessed by critical professionals in the heads and hands of their coworkers.
## Losing Knowledge - Turnover

<table>
<thead>
<tr>
<th>Industry &amp; Region</th>
<th>Levels (in thousands)</th>
<th>Rates 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,183</td>
<td>5,041</td>
</tr>
<tr>
<td>Construction</td>
<td>334</td>
<td>322</td>
</tr>
</tbody>
</table>

[https://www.bls.gov/news.release/jolts.t03.htm](https://www.bls.gov/news.release/jolts.t03.htm)

## A Proven 3-step Knowledge Transfer Process

A practical, proven model that solves many common business challenges facing organizations today. Following a quick, yet thorough preparation and customization phase, consider a 3-step Knowledge Transfer Solution:

- **Step 1:** Identify Risk (Knowledge Silo Matrix)
- **Step 2:** Create a Plan (Skill Development Plan)
- **Step 3:** Learn to Act on the Plan (Knowledge Transfer Workshop)
Knowledge Transfer – Creating A Plan

- **Training Partnerships**
  - Companies teaming with educators to establish training programs for students

- **Two-Year Colleges & Trade Schools**
  - Encouraging more attendance in 2-year colleges & trade schools where students learn trade-specific skills

- **Apprenticeships**
  - Students working onsite with skilled trade workers

- **Mentorship Programs**
  - Pairing individual students with skilled trade workers

Source: Adecco.usa.com/employers/resources
“Good” Knowledge Transfer

• Be simple.
• Clearly show workforce risks that could cripple the organization in the future.
• Be measurable.
• Be tracked over time; models need to show how the risk is being reduced to maintain a ready, and productive workforce today and down the road.

“Good” Knowledge Transfer

• Include a methodology and tool set, with clear outputs that anyone can read and understand within a few minutes.
• Drive a clear conversation about what knowledge needs to be transferred, who is to deliver it, and who is to receive it.
• Be independent and unconstrained by the degree of social or communication skills possessed by the person holding the knowledge.
• Foster a culture of knowledge transfer within the organization.
Eliminating The Nightmares

• Hire The Right Person
• Engage Them From The Beginning
• Share The Knowledge & Cross-train

“If employees truly are a company's best asset, then their care and support should be a priority.”

Transform Your Work Environment From One Where The Inquiry Is:

• How Can I Get The Most Out Of My People?

To A New Question That Includes:

• Are They Supported and Coached To Do Their Best?
Thank you!

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Reference Points

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• http://www.cpiworld.com/knowledgecenter/whitepapers/thepowerofknowledgetransferpreservingyoursecretsaucewhilemitigatingtalentmanagement .....