It’s no secret that there are currently more jobs available in construction than there are people to fill them. Meanwhile, across all industries, more people are leaving their jobs (or job-hopping) than ever before. Therefore, attracting and keeping employees has become more important than ever.

Recruiting and retaining high performers is no easy feat. This article outlines some key areas that could be warning signs for your company, along with best practices and examples to help proactively improve your company’s recruitment and retention culture.

To improve your culture of retention, bestselling business author Jim Collins suggests to “start by getting the right people on the bus, the wrong people off the bus, and the right people in the right seats.” In other words, building the right team is integral to success. And if you cannot keep your team in place, all other well-intentioned efforts can be in vain.

Just as a mechanic must diagnose why your car’s check engine light is on before beginning repairs, a company must diagnose why it has trouble recruiting and/or retaining employees before attempting to make changes. The following questions can help with this assessment:

- Why do employees stay at your company?
- Why do they leave?
- What attracts new employees to your company?
- Is your compensation range and benefits package competitive for your market?
- Have you laid out a career path for your people, and are they on board with your direction?

Common areas of improvement include work/life balance, compensation and benefits, undefined career paths, or unhealthy office environments. While compensation is often cited as a reason for leaving a company, contrary to popular belief, as long as employers are close to the market rate for their area, compensation often does not significantly drive employee job changes.

**Focus on Retention**

As recruiters, we have observed that the number one motivation for otherwise strong employees to leave a company is lack of career growth, which is often due to ineffective, unengaged managers.

**Know Thy Team: Building Strategic Succession Plans**

Referring back to Jim Collins, our industry is ultimately “a people business.” Knowing your team is essential to long-term success today and, most important, tomorrow. Further, implementing strategic succession planning for tomorrow can help many companies improve their “today.”

Succession planning is only effective if your team’s key members are aligned with the same goals. Take time to discuss career goals and future succession plans with your team to ensure everyone is on the same page.

Brad Ledford, President of DHG Search, asserts that when companies take the time to create cultures of trust and genuinely learn where employees see themselves in 2-3 years, it becomes easier to plan and invest in progression – even if that means some employees transition out.

Brad notes, “Career path conversations allow both the company and employee to have those critical conversations. Know what causes angst with their employees, or how to invest in ways that are the most meaningful for their growth. I find lack of conversations like these, and the apparent apathy or lack of career opportunities are one of the main reasons high-potential candidates work with us. Wouldn’t it be better if companies had these conversations and had more insight into timeline and process?”

Simply taking the time to get to know employees on a more personal level and showing appreciation for their work can be highly valuable.

For example, one notable heavy equipment group schedules weekly team meetings at their locations. During these meetings, attendees go around the room for a one-minute update,
which entails each person talking for 30 seconds about their personal initiatives or how he or she spent the weekend and 30 seconds sharing appreciation of a team member or project. The company owner believes this simple activity has contributed great value to the groups by building deeper relationships and bonds of trust.

**Stay Interviews to Maximize Feedback**

Strong company retention cultures thrive on open communication. The helpful, candid feedback garnered from exit interviews comes too little, too late, as these conversations occur when employees are already departing. Such information is particularly disconcerting if the employee was a high-potential future leader; at that point, any attempt to retain them involves counteroffers with limited long-term success. Certainly, there are more direct ways to extract this vital information.

A more effective approach to the traditional exit interview is a “stay interview,” or a conversation that an employer proactively has with employees to better understand their vision and goals.

A successful stay interview requires a high-trust company culture and management that is open to critical feedback. Companies that have taken this approach have generally seen fewer surprise resignations. Stay interviews demonstrate focus on employees as future leaders while building upon past employee reviews.

Recently, when a Tennessee owner and builder was facing the retirement of its COO, we met with key team members of the company to discuss the core skills needed within the role, as well as the company’s challenges and opportunities. Some of their growth challenges correlated with the optimization of their financial relationships; they were concerned about their ability to build new and larger financial relationships outside of their established networks.

This challenge was burdensome to the company’s CFO, who needed to improve financing and banking relationships. Discussions regarding their concerns and opportunities paved the way for critical conversations, which revealed the CFO’s desire to transition into the COO role, as the operational side of the business was his passion. Thus, the CFO was promoted into the COO role, which created an opening for the CFO position.

With this shift in roles, the company was better able to focus on hiring a candidate with an added depth of financial and banking relationships. The company hired a CFO whose experience aligned with these requirements. As these skills were added into the company, the results included better synergy and buy-in from subordinates who were keen to learn and grow from their new colleague’s experience.

If the company simply kept its CFO in the original seat and hired a new COO as planned, it would have likely continued to struggle with growth. If the CFO was let go after financial challenges continue to materialize, then the company would have lost a respected leader. In any other scenario, the net impact would have unintended consequences, eventually driving a wedge into the long-term success of the company. Conducting a stay interview that revealed a change in opportunity was ultimately the best choice.

**Strategic Planning for Employee Development**

Many companies plan, but few have developed the culture of trust that allows honest feedback. Moving from being reactionary (when a key employee leaves) to proactive planning is fundamental to a contractor’s success and growth.

Building a culture of candidness and honesty helps create a win-win situation for both the employer and employee. The company can better plan and strategize its organizational chart while also helping employees reach their individual goals and value their roles within the company. As recruiters, we have found this added engagement can be a powerful incentive for employees to stay at their current companies, thus building a high return on investment (ROI) on retention.

Strategic planning requires communication, creativity, and flexibility. The plan should include open communication between both parties to make sure the right person is in the right seat on the bus. Building a culture that allows for critical and honest conversation is easier said than done, and requires significant time to cultivate. However, when this culture is well-implemented, this can ensure that key employees have 1) bought into the plan, 2) can see career growth, and 3) feel they have a say in the future that represents their best interests.

**Ditch the (Career) Ladder**

The career ladder holds a merited place in organizational vernacular. The term paints a common refrain for most companies, since employees see their progress and promotions as dependent upon their ability to step up into new roles. Unintended consequences abound and form what is known
as the Peter Principle (i.e., people in a hierarchy tend to rise until they reach their individual level of incompetence), and also, the fear of missing out. Employees are then more likely to accept new roles or promotions out of concern that others will pass them by, even if their personal scenarios, interest, or aptitude suggest declining the role.

The career ladder also hurts high achievers, many who eventually find themselves waiting in line behind someone with less skills or motivation. A lack of career growth for “rising stars” is a common refrain for candidates seeking to leave an otherwise ideal employer.

One progressive contractor with a high-trust culture has ditched the career ladder and instead created a “climbing wall” that offers many paths and opportunities for employee growth. The climbing wall adds a level of complexity, as company leaders are constantly engaged with team-based decisions and a fluid internal operation. Employee retention is very high, and they are now a notable destination employer. Their numbers speak to the success of this approach; the 30-year-old company is on track to soon reach $5 billion in annual revenues.

### Elevate Employee Engagement

Employee engagement is well discussed, but few companies successfully take it to the next level – which is engaging the family. Retention of top employees should be integral to the cultural fabric of your company, so be sure to focus on your employees’ families as much as your employees.

Such efforts may include hosting child-friendly company events that also welcome the employee’s spouse or parents. Employers may send birthday cards to employees, including birthday cards to their spouses and children, or host company-paid trips and sporting events. The more opportunities to form common bonds beyond the employee-level, the better.

### Recruiting Tool Belt

Once a company is aware of and tracking its retention, then real recruitment progress can be made. Building a culture of recruitment goes beyond posting jobs (e.g., LinkedIn, Facebook, and Indeed) and using third-party recruiters; it also includes utilizing the company’s best advocates – its employees. The steps taken to create a strong culture of retention are the greatest tools for recruiting, so be sure to use them!

Contractors that recruit employees most successfully on their own have delegated recruiting responsibilities among their HR and operations departments. This shared responsibility among internal company leaders ensures they are pulling in the same direction. Operations and site individuals are often those charged with sitting in at meetings with potential candidates. When they attend bid meetings, association events, or interface with trades and suppliers, it helps encourage discussions and better leverages those relationships and opportunities.

Many of the steps that increase retention also benefit a company’s recruiting efforts. Well-developed retention improvements naturally mean fewer “experienced hire” roles that need to be filled.

Also, the happier, more engaged, and hardworking the employees are, the more the company will naturally attract that type of employee. Such designations and accolades as “great place to work” and “preferred employer” strongly benefit companies. Not only does earning such a classification provide recognition, but it also gives insight into helpful data trends that can drive decisions and allows time for important cultural discussions that are generally dismissed or deferred.

### Maintain Momentum

The laws of physics state that maintaining momentum uses less energy than continual starts and stops; the same principle can be applied to recruiting.

Companies that create a culture of recruiting are generally a step ahead. Always be on the lookout for top talent, and implement referral bonuses to benefit from your employees’ network. There is often even more incentive when both the existing employee and incoming hire each share in such bonuses.

When companies create a culture of recruitment, they recognize that each employee is a company’s best brand ambassador. These companies intentionally train their employees to stay alert for opportunities to connect with industry peers or contacts. It is important to utilize these industry relationships in order to identify potential candidates, thus allowing time to get to know top prospects.

With those in operational roles sharing responsibility for recruiting, this step can amplify results across the organization.
This additional network of employees can further connect with suppliers and vendors to know your company is hiring. The goal is to become the obvious, logical, and desired choice for any prospective candidates.

**Conclusion**
The goal of building a culture of retention and recruitment is to allow your company to be its own best advocate. With a strong culture of retention, recruitment becomes easier. With a strong culture of recruitment, it can be easier to make sure your company has the right people on its bus. Pretty soon, you may need to get a bigger bus! ■

**Endnotes**
1. www.linkedin.com/feed/news/more-people-are-quitting-their-jobs-1729603/?lipi=urn%3Ali%3Apage%3Ad_flagship3_feed%3BBwOdmzT SKcCFp0EK1%2PA%3D%3D.


MARK DeVERGES helps lead the Construction & Real Estate team in the DHG Search division at Dixon Hughes Goodman in Asheville, NC. DHG Search offers career opportunities at all levels of construction engineering, management, and executive level leadership.

Mark helps guide and give oversight to critical and hard-to-fill industry-specific executive recruitment, and regularly partners with GCs, specialty contractors, heavy/highway contractors, developers and owners, cost consultants, architects, and engineers.

Mark has spoken at several industry conferences including CFMA’s 2018 Annual Conference & Exhibition and ENR’s Groundbreaking Women in Construction National Conference, and is a recipient of the Top 40 Under 40 Award. Mark is a member of CFMA’s Charlotte Chapter and serves on its membership committee.

Phone: 828-633-5649  
E-Mail: mark@dhgsearch.com  
Website: www.dhgsearch.com

RYAN KRISHNAN is a Senior Recruiter and a key contributor within the Construction & Real Estate group of DHG Search in Asheveille, NC, and primarily focuses on assisting dynamic specialty subcontractors.

From small family-owned contractors to ENR Top 10 national contractors, Ryan has successfully helped numerous contractors and subcontractors hire key positions from project managers through the C-Suite.

Ryan is an active participant and speaker within regional construction associations including CFMA, AGC, ASA, and ABC.

Phone: 828-633-5625  
E-Mail: ryan@dhgsearch.com  
Website: www.dhgsearch.com