

How to Heighten Your Hiring Practices

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In order for a company to grow, scale, and profit, owners must build a team to handle the heavy lifting by hiring, training, mentoring, and handing off control to the company's up-and-coming leaders.

HIRE FOR THE FUTURE

The best hiring strategy is to seek new talent based on your future needs, versus hiring inexperienced candidates and hoping to train them to suit those needs.

What will you need in the future? A construction vice president to run operations, a full-charge field manager, a professional controller or financial manager, an experienced estimator, or other critical positions?

Take your company's current organizational chart, and redraft it based on your future growth needs. Assuming you'll grow steadily at 15% per year means doubling in size over the next four to five years. Today, you must approach hiring with this future vision and aim to find people with the potential to fill these future positions you'll need to run a strong business moving forward. Yes, top talent costs top money, but skimping on salary to save money on talent is a bad decision. Do not hire cheap and simply hope it works out. Hire the talent you need in three to five years today, so your current leaders can focus on their top priorities now.

For example, consider hiring a strong project manager who



has the capacity to run all of your construction operations someday. Hire a proven, experienced field superintendent who has the potential to manage five foreman and 25 to 50 field workers. Hire an estimator who excels at presenting proposals to customers, job-cost tracking, bidding with accuracy, and a track record of winning profitable work. Eventually, these team leaders will become the strong management team who will run your company.

KNOW WHO YOU NEED NOW

Determine which positions you need to fill to start building a strong team for the future. Oftentimes, hiring an assistant or project administrator is a good way to leverage your current team and allow them to handle more. A project manager with the help of an administrator can likely handle one or two more

projects. To determine where to start, rank these regularly recurring problems:

- » Company financial reports are rarely finished on time.
- » I don't think our bookkeeper really understands construction accounting and practices.
- » Our job-cost production tracking is not completed weekly (or ever).
- » Project budget updates with accurate estimated costs to complete are not up to date.
- » Our estimating cost history library is not up to date and our production rates are inaccurate.
- » We regularly miss items in our bids and we tend to make less markup.
- » We don't track bid-hit-win ratios or final profit margin versus bid rates.
- » Our projects tend to finish late and we often spend more time than estimated.
- » We have too many large punch lists, mistakes, and callbacks on projects.
- » We don't get some change orders approved or paid.
- » Project paperwork and documentation is often late or incomplete.
- » We don't have enough time or people to bid more work.
- » We are too busy to implement a training program or hold regular all-company meetings.
- » I am too busy to go out and see regular or new higher margin customers on a regular basis.

Once you have recognized your hiring needs and priorities for growth, you'll need to take action:

1. VISUALIZE

Structure a strong management team designed to reach your company's goals:

President and senior managers – The people in these roles must take personal responsibility to help you build and develop a strong management team. They must also set strategy and run operations of their respective departments.

Team members – Clarify your need for the leaders or heads of each department or business function:

- » Construction operations manager
- » Field operations manager
- » Chief estimator
- » Business development and/or sales manager
- » Controller or financial manager
- » Company administrative manager
- » Safety manager or equipment manager

2. IDENTIFY

Select the right management team members who will take responsibility to achieve expected results, grow higher-margin revenue, innovate and improve, implement strategy and run operations:

- a. Identify ideal employees who represent a place in the company's future and growth potential.
- b. Team members must be hired based on their potential, leadership, attitude, and values. Make sure they're well respected and trusted. Do not select members based on longevity, age, or loyalty to the company.
- c. Ensure they are able to manage talent, welcome change and innovation, hold people accountable, motivate and encourage others, follow company systems.

3. BUILD

Follow these steps to build and develop your management team:

- a. Identify which position is needed now to reduce the president's workload.
- b. Hire only strong managers who meet the company's emerging needs and have the potential to be a leader in your vision of the future.
- c. Mentor, coach, and monitor their interactions, performance and results.
- d. When ready, promote this manager to a management position. Assign them 100% accountability for meeting the goals set for them.

4. DEVELOP

Provide teams with continuous, open communication and help them make difficult management decisions. Commit to holding face-to-face meetings with both direct reports and teams, and lead interactive team-building activities, providing extra or deferred incentive compensation based on company results.

5. RETAIN

To retain management team members, consider providing extra or deferred incentive compensation based on the company's financial results.



About the Author

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