



As companies eliminate waste from their core activities, it's time to look at the recruitment process the same way, argues Thomas R Cutler

Executives are famous

for describing their employees as the company's greatest asset, yet hiring and training remain the most neglected processes in business. Recruiting new people into jobs they are not qualified for, or seeing existing workers' skills being overtaken by new technology or changing processes are problems familiar to many.

One of the basic principles of lean is eliminating waste, yet one of the most wasteful practices is to engage someone to work in the organization, only to have them leave after a few months, either because they can't do the job, or they don't fit the culture. As a company makes the transition towards lean, the culture change required to sustain it cannot be achieved without a huge commitment to training, so that the workforce can make the adjustment, not only to new ways of working, but new ways of thinking, too.

Not everybody makes it. Even the most successful lean transformations experience difficulty with people who can't or won't embrace the new culture, and because a successful

lean culture requires buy-in from everyone, they have to be let go. When that happens, the last thing you want is to recruit a replacement who doesn't fit, or does not have all the right skills.

As if hiring the right skill sets is not difficult enough when many industries are suffering skill shortages, companies now find themselves having to pay more attention to the "softer" skills of communication, team work, problem solving and responsibility; and that requires a new professionalism in hiring.

It's no coincidence, therefore, that hiring practices are changing. The traditional rounds of advertising, screening, interviewing, hiring, and training have become too expensive and ineffective for some industry sectors. For them, a shift to industry sector placement organizations has become an increasingly cost-effective and efficient way to acquire the right people, with the right skills, at the right price.

The rationale of this hiring process shift is not the same throughout

all sectors or geographic regions, however, nor is the quality of each placement organization equal. Too often, generic placement organizations who can place a "warm body" into a position at the last minute, ends up being less effective than specialist organizations that recognize the idiosyncratic nature of each industry sector.

In the automotive industry, for instance, there has been an international move to produce vehicles in the United States for the US consumer. Foreign direct investment is increasingly regarded as a source of new jobs, to the extent that foreign manufacturing jobs within the US are growing five times faster than outsourced jobs, according to the Organization for International Investment. KIA, BMW, Hyundai, Nissan, Toyota, and Honda all have manufacturing plants in the United States, which makes distribution easier and more cost-effective than shipping their product to the US from abroad.

Automotive OEMs have found that certain geographic regions in the US

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provide them with able and affordable workforces including Tennessee, North and South Carolina, Arkansas, Georgia, and Alabama. The supply chain which supports the automotive sector extends nationwide and impacts key industries in the tiered supplier system including machining, sheet metalworking, electronics, plastics and rubber.

Those placement organizations that represent this sector both geographically and with segmentation expertise include ProLogistix and ResourceMFG, specializing, as their names suggest, in the logistics and manufacturing segments, respectively.

Similar to the automotive sector there is a complex supply chain serving the aeronautics sector. It is a niche, specialty market ranging from specialty personal jet manufacturers to helicopter and jet engine manufacturers. Due to stringent FAA regulations, assembly will remain in the United States. There are high levels of manufacturing activity in Tucson and Phoenix, AZ, Albuquerque, NM, Dallas and Wichita, TX. “There is great growth in the personal jet manufacturing sector,” says Julie Maydew, vice president of ResourceMFG, who is finding great demand for placing highly trained technicians within the sector.

In food production, quality and distribution produce a strong demand for maintenance technicians. Regionally produced food is growing exponentially and sophisticated trained personnel are critical as the demand for organic and fresh foods increases. The associated production costs for freshness are found in transportation and quality assurance operations personnel.

With FDA oversight, compliance with the Bioterrorism Act requiring lot traceability, and the new ISO 22000 certification the demand for top level executives, mid-management operations supervisors, and second and third shift managers is expected to grow dramatically. Each of these functions will remain in the US and the accurate pre-qualification of competent personnel can literally become a matter of life or death.

In process industries, where equipment is needed to run the plant, the situation is similar. Many specialty work projects are most likely to remain in the US, as shorter production runs and lower volume orders will not be suitable for China or other outsourced locations because the quantities are not large enough. Next to the shortage of welding personnel, expert machine operators rank number two. Few of the staffing placement firms have the high level of sophistication to place machining experts.

Electronics jobs began leaving the United States more than 20 years ago and those that remain are in non-commodity products. From medical electronics with heavy quality regulatory oversight to transportation equipment to high-end electronics, the demand for these skills has increased. Those producing dashboard control systems, intermittent wiper controls, dials, gauges, GPS systems, and wiring harnesses for automobiles are increasingly needed as the skill deficiencies in other countries (reverse maquiladoras) are driving these jobs back to the United States.

Specific sectors hiring through sector placement firms include transportation equipment, oil and gas exploration and data collection systems, medical devices, contract manufacturers and computer networking equipment. Rubber, plastics, and sheet metal placement have also experienced significant utilization of hiring practices through placement organizations.

One factor driving many executives in these industries to look at their hiring practices, training practices, and poor employee retention rates is an enterprise wide lean initiative. Having examined the plant floor, the back office, and most other aspects of the company for elimination of waste, continued process improvement has arrived at the doorstep of human resources. It is quickly discovered by those organizations using lean technology, and other methodologies including six sigma, that human resources has not been evaluated for waste.

The practice of using expensive classified advertising, sifting through hundreds of resumes, interviewing dozens of unqualified individuals, training a half dozen new hires who depart after six months to make \$2 more per hour for a competitor across the street, is the antithesis of a lean process. While some organizations attempt to gradually rectify these old techniques internally, others are opting to streamline the hiring process by using highly qualified placement firms with the screening techniques to deliver the best candidate in short order who can “hit the ground running” and immediately achieve high levels of productivity. ■