Implementing A Successful Recruitment Program For Service Technicians

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Glory Global Solutions

- Global leader in cash management solutions
- Sales and support in 150 countries
- 8,500 employees
- USD2.0B revenues (USD0.9B outside Japan)
- Over 1,000,000 devices installed worldwide
Service Business:

- 1,800 international service employees
- 1,300+ techs W. Europe, N. America, Australasia
- 400+ distributors and service partners worldwide
- Approximately 35% of international revenues
In this 20 Minute Session We Will...

- Review some basic challenges in hiring field service technicians
- Discuss a methodology we are using at Glory to improve our hiring success
- Offer some statistics in evidence of our success
- Give you a checklist for developing a similar approach for your field service operations
What You Would Rather Be Doing Today:

INTERVIEWING AND HIRING!
The Field Service Manager’s 2nd Most Hated Call…

Why so hated? The manager has to start a hiring process.
Because this is the Manager’s **Most** Hated Call...

**YOU’RE FIRED!!!!**

Why hated more? The manager did it to him/herself!
In Either Case, the New Hiring Process Begins….

Who will cover until we get a replacement?

How will I possibly get someone trained?

Where am I going to find someone?

When can I get there for interviews?

Which one should I choose?

WHY ME?
This demand starts a bad cycle: the urgency to replace the territory overwhelms common sense.
Who Should I Interview?

- An accelerating technology curve requires new skills
- Customers are more demanding than ever
- An aging skilled workforce
- A weak but improving economy
- Tech jobs pay (relatively) less competitively than in the past

Finding good candidates is hard work.
When Can I Get Out There?

Your managers are always inconveniently far away from the problem territory!
How To Choose?

“\( I \) like him.\( X \)”

A University of Michigan study on predictors of job performance found that the typical interview increased the likelihood of choosing the best candidate by less than 2%. 
We Hire Badly – Over and Over.

75% of the demand to hire new employees is simply to replace workers who have left the company.

43% of respondents [cited] the need to fill the positions quickly as the main reason that bad hires are made. (NBRI study)

As much as 80% of employee turnover is due to bad hiring decisions. (From Harvard Business Review)

We perpetuate a “vicious cycle”.
How Prevalent is the Bad Hiring Cycle?

The problem is so rampant that a whole industry exist for online calculators to remind us to not compromise!

How Expensive is the BAD Hiring Cycle?

- It costs $7,000 to replace a salaried employee, $10,000 to replace a mid-level employee, and $40,000 to replace a senior executive. (From HR.com)

- The average cost of a bad hiring decision can equal 30% of the individual’s first-year earnings. (From the US Dept. of Labor and Statistics)

- 66% of employers said they experienced negative effects of bad hires in 2012. Of these employers, 37% said the bad hire negatively affected employee morale. Another 18% said the bad hire impacted client relationships. (National Business Research Institute)
How do we do better?
Our Way to Hiring and Retaining a High Caliber Team

**Hiring Right …**
- Responding to Customers
- Mechanical Know-How
- Identifying H/W Problems
- Work History / Approach
- Results Based Interviewing

**Training Right …**
- Continuous learning
- 400+ classes
- Virtual training
- Hands-on practicals
- Continuous certification

**Managing Right …**
- Performance Management
- Strong feedback loops
- Merit advancement
- Defined promotion paths

**Investing in people and knowledge.**

**Ensuring staff are valued and aware.**

A proven process used for all hires.
Hiring a High Caliber Team

Hiring Right …

• Responding to Customers
• Mechanical Know-How
• Identifying H/W Problems
• Work History / Approach
• Results Based Interviewing

1. Training Hiring Managers
2. Standard Interview Tools
3. The Virtual Job Tryout
4. Correlating Results
5. Making Decisions

A proven process used for all hires.
1. Training the Hiring Manager

Our Competency Model

1. Career Stability
2. Desire to Achieve Results
3. Adaptability
4. Customer Service
5. Work Efficiently
6. Mechanical Problem Solving
7. Troubleshooting

Interview Questioning

1. Biographical – questions about facts and events from the past
2. Situational – probing approaches to hypothetical scenarios
3. Behavioral – understanding how past experiences were handled

Resume/Application Review

1. Rules for “handling” resumes
   • Avoiding bias
   • Treating the resume as a legal document
2. Preparing for an interview using the resume

Interview Scoring

1. Note Taking
   • Situation, Approach, Results
   • Applied Learning, Feedback, Evaluation, and Success
2. Evaluation
   • Standard review according to detailed competency schedule
2. Standard Interview Process

Standard, Consistent Process

- Same Questions
- Standard Scoring
- Maintain Opportunity for “Differentiation”
- Maintain Opportunity to “Delight”
2. Standard Interview Process

2nd level - Approach, Behaviors, or Actions
Ask the candidate to describe what actions he/she took, how he/she handled it, and what he/she did to deal with the situation or experience.

1st level - Experiences
Ask the candidate to describe a situation or experience that relates to the job for which he/she is applying.

3rd level - Outcomes, Successes, or Results
Ask the candidate about the results, how the situation turned out, what happened as result of his/her actions, and how the results were seen by others.

4th level - Comparison and Evaluation
Ask the candidate to describe the quality of results achieved, and how effective his/her results have been compared to others.

5th level - Applied Learning
Ask the candidate to describe how learning from this experience was applied to other areas.

6th level - Feedback
Ask the candidate to provide evidence that others have witnessed his/her performance and provided some degree of positive or negative feedback.
3. The Virtual Job Tryout

What it isn’t:

• A work style test
• A personality test
• An intelligence test
• A problem solving test
• A job simulation
• A realistic job preview,

What it is:

• All of these elements in one candidate experience.
• An engaging, informative way to learn who we are & how we work.
• A candidate experience that allows candidates to determine if the role is right for them

Predictive of important metrics, including quality and productivity indicators, and general fitness for role.
The Virtual Job Tryout

Service Technician Virtual Job Tryout®

Main Menu

1 Responding To Customers
2 Mechanical Know-How
3 Your Work History
4 Identifying Equipment Problems
5 Your Preferred Approach

Click on the five experiences in order to complete them; click the next available picture to begin the next experience.
Service Technician Virtual Job Tryout®

Mechanical Know-How

Overview
As a Service Technician, you'll rely on your mechanical know-how to perform preventive maintenance and make repairs to various machines. During this experience, you'll get a chance to apply your knowledge of mechanical principles by answering a few questions.

Each question refers to a drawing of a mechanical apparatus. Answer the questions based on your knowledge and experience. **Only one** of the responses is correct in each case.

Click the icon to the left to see an example.

Using the Navigation Bar
You can use the Navigation Bar that will appear at the top of the page to move back and forth between questions. Clicking on a question number will take you to that question. The navigation bar helps you keep track of your progress.

Click NEXT to begin the Mechanical Know-How section.
Responding To Customers

1. You receive a call from a customer who reports a problem with a piece of equipment. When you arrive on site, you discover that the equipment is working properly, but the customer’s computer network is causing the problem.

Assuming all options are feasible, what would you do?

- Let him know that the problem is because of a computer network error. Offer to perform routine preventative maintenance on the equipment since you are already onsite.
- Explain to the customer that the equipment is working properly and suggest he call his technical support line to fix the computer network problem.
- Let the customer know that the problem is due to a computer network issue and try to resolve it.
- Tell the customer the problem is being caused by his computer network and show him that the equipment you’ve been called to service does actually work.

Please answer all of the questions on the page, and then click Next to continue.
The Virtual Job Tryout

Engaging & Interactive

Candidates get to try out the job, while we collect data that predicts job performance

Two-way information exchange: Communicates as much information as it gathers

Designed exclusively for us: Customized for the uniqueness of our organization and the tech’s role

Predicts Results

✓ Multi-method measurement: Evaluates the multi-faceted nature of performance
✓ Predicts success according to our known internal and customer priorities
✓ Closed-loop analytics—dynamic system that improves over time
# Virtual Job Tryout Benefits

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Hiring Mgrs/Recruiters</th>
<th>Company</th>
</tr>
</thead>
</table>
| • Fun and engaging experience  
• Easy to use  
• Two-way exchange  
• Realistic preview of job and company | • No wasting time on poor fit applicants/candidates  
• Custom profile of candidates’ capabilities eliminates guess work  
• Base decisions on consistent, objective data | • Better service  
• Stronger results  
• Lower turnover $  
• ↑ consistency in hiring; ↓ legal / compliance risk |
How the VJT Helps Us Understand the Candidate

Questions

- I try to do the best job possible, even if it takes away from my personal life.
- I work hard while at work, but will not sacrifice my leisure time for work.
- I like some downtime in my schedule.
- I like to be on the go all the time.
- Have you ever earned special recognition or bonus money for doing especially good work in a previous job?

Scales

- Work Ethic
- Energetic
- Compassion
- Past Performance
- Desire to Learn

Competencies

- Career Stability
- Achieve Results
- Adapt
- Customer Service
- Work Efficiently
## Our 7 Core Competencies

1. **Career Stability**
   - Techs commonly change jobs pre-failure

2. **Desire to Achieve Results**
   - Techs need to be self-motivated, far from “HQ”

3. **Adaptability**
   - A technician quite often will find himself in new or unexpected circumstances in our business.

4. **Customer Service**
   - Our customers are highly impacted by a system failure – but they often CAUSE the problem…

5. **Work Efficiently**
   - We need to move quickly on every call, and manage a large equipment base timely

6. **Mechanical Problem Solving**
   - Our products mimic fine motor movements of human hands, so we must be good at assessing pressure/movement

7. **Troubleshooting**
   - Our work requires determining root causes – which may be in customer or 3rd party systems)
The VJT Competency Review

This is combined with our interview notes and our related scorecard.
Section 3: Follow Up Probes

During the Work History section of the assessment, the candidate answered a number of questions about his/her relevant past experiences. The report below includes responses to these questions that are deemed 'red flags' which should be explored further before moving the candidate forward in the hiring process. These red flags represent areas that merit further discussion and are not intended to be knock out factors. If there are multiple questions in any one category, you need not ask all of the questions. Instead, ask as many questions as needed to adequately explore the red flag. For your convenience, questions within each category are in order of importance such that the ones appearing first should be asked first.

Keep in Mind:
The purpose of an interview is to obtain job-related information about a candidate being considered for a particular position. It is unlawful for interviewers to ask questions which can be interpreted as discriminatory against a person's age, race, color, religious creed, sex, national origin, citizenship, ancestry, marital status, sexual preference, veteran status, non-job-related disability/handicap or medical condition, or any other legally protected classification.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Candidate indicated that...</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience</td>
<td>• Has more than 5 years work experience interacting with customers on a regular basis.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• What do you enjoy most about interacting with customers? What is most challenging about</td>
<td></td>
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<tr>
<td></td>
<td>interacting with customers? What experiences have you had that will help you in this</td>
<td></td>
</tr>
<tr>
<td></td>
<td>role?</td>
<td></td>
</tr>
<tr>
<td>Schedule Flexibility</td>
<td>• Is rarely able to work weekends.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Are you aware that this position may require you to work weekends at times? How much</td>
<td></td>
</tr>
<tr>
<td></td>
<td>advanced notice would you need to work on a weekend?</td>
<td></td>
</tr>
<tr>
<td>Schedule Flexibility</td>
<td>• Is rarely willing to work scheduled overtime.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Are you aware that this position may require some overtime? Are you willing and able to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>meet those requirements?</td>
<td></td>
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</tbody>
</table>
For a manager to hire a candidate at their discretion, the candidate must …

- Score “excellent” on at least three (3) VJT measures.
- Not score “weak” on any VJT measure.
- Meet minimum scores in FTF interview.

To hire a candidate that does NOT achieve the required VJT or review scores…

- The manager’s manager must interview
- …Using the standard interview system
- …And must agree to hire despite scores.

We ensure that our management team is invested in our candidates!
2006 “Crisis”:

- 227 total technicians in North America

Pre-2007 typical attrition

- 32 technicians per year average from 2003-2006
- 33% due to retirement (12 per year)
- 66% due to “failed new hires” (20 per year)
- “Failed hire” = released within 2 years of hire date

Technician age (2006):

- Average 47.0 years old
- 20% over 58 years old

A “Perfect Storm” was brewing…
By The Numbers: 2007-2010 Hiring Results

72 New Hires
- 26 Excellent Fit, 38 Average Fit = 64 approved for hire with no second manager
- 8 Weak Fit = required 2nd level management approval
- 40.29 years old
- Growth to 243 total techs (+16)

22 “Failed Hire” Terminations / Quits
- 17 of 64 Excellents+Averages (26%)
- 5 of 8 Weaks (63%)

Causes of “Failed Hire”
- Excellents and Averages:
  - 4 Performance Failures (6.25%)
  - 5 Realignments (layoffs) (7.8%)
  - 8 Other Jobs or other (12.5%)
- Weaks:
  - 3 Performance Failures (37.5%)
  - 2 Realignments (layoffs) (25%)
By The Numbers: 2007-2010 Hiring Results

Hired Candidate Ratings

- **Excellent Fit, 26, 36%**
- **Average Fit, 38, 53%**
- **Weak Fit, 8, 11%**

- **72 Total Hires**
- **64, or 89%, met standard hiring criteria**
- **8, or 11%, did not meet criteria but were hired**
April 2013 Status: 2007-2010 Hiring Results

64 Scored as “Excellent or Average” Fit

- 73% still in business
- Only 14% gone by management decision

8 Scored as “Weak” Fit

- 71% gone by management decision
- Only 29% still employed

The process absolutely gives clear direction on hiring when used properly.
2013 Candidate Data

- Only about 60% of candidates fit our profile (this is a 198 person sample)
- Only about 1/4\textsuperscript{th} of those candidates are hired after face-to-face interviews
- Our process grows more selective as our success rates go up.

Our managers have become “true believers” as they replace fewer people!
Take Aways

- Train your managers to hire – they don’t learn this anywhere else.
- Create a process that ensures your managers can follow it consistently.
- Evaluate candidates consistently,
- Consider both skills AND fit with your specific customer needs and culture.
- Hiring is a 2-way decision for both the company and the candidate – let them see the job requirements clearly.
- Don’t compromise for convenience, ever.
- Make Hiring an OPPORTUNITY, always.
THANK YOU