



## EffortlessHR March 2009 Employer's Advantage Newsletter



### **FYI – For Your Information - "Assessments - Tools to Maximize Productivity"**

Cathy Baniewicz is our EffortlessHR Director of HR and a writer of many of our wonderful blogs. She wrote this blog for us and it was published on February 1, 2009. As you can see, we have a wealth of information waiting for you at [www.effortlesshr.com](http://www.effortlesshr.com).

It is critical for the success of a company for the right people to be in the right jobs. It is also important that the tools a company uses to make hiring or promotion decisions are reliable and valid.

There has been an increase in employment testing due in part to post 9-11 security, as well as concerns about workplace violence, safety and liability. Likewise, there has been an increase in discrimination claims based on background checks and other selection procedures.

The Equal Employment Opportunity Commission recognizes that assessments can be a very effective means of determining which applicants or employees are most qualified for a particular job. The use of assessment tools can violate federal anti-discrimination laws if the employer intentionally uses them to discriminate based on race, color, sex, national origin, religion, disability or age. The use of validated tests and other selection procedures can help avoid discrimination lawsuits.

EffortlessHR uses the Profiles International assessment instruments. These assessment tools are geared to all phases of employment from hiring, training, coaching and management performance. Profiles assessments are continually re-validated and updated. Their predictive reliability and validity scores are the highest in the industry.

As companies struggle to be more profitable during these tough economic times, it is important to hire, train and retain qualified individuals who are in tune with your company's mission, objectives and values. The Profiles assessments are designed to help you make better human resources decisions.

For more information, click on the Assessments tab at [www.effortlesshr.com](http://www.effortlesshr.com) or visit [Employee Assessments](#).

#### References:

- [Importance of an EEOC Statement](http://affinitycgi.com) (affinitycgi.com)
- [Punk Rock HR Secrets: Job Loss](http://punkrockhr.com) (punkrockhr.com)

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## FROM JIM SIRBASKU'S DESK

### How to Make Every Hire Count

The leader of a large U.S. organization was asked if he planned to fire an employee who made an expensive mistake. "No," said the CEO, because he viewed the "mistake" as valuable training. "You can't put a price on what she learned," he said, "and the lesson should benefit this company, not our competitors."

The employee not only survived the mistake, but she also corrected it. Her innovations positioned the company as an industry leader.

Not all leaders would view the employee's mistake the same way, but this particular executive was thinking smart by thinking ahead. He knew the expense of termination, recruitment, hiring, and training. He was confident in his hiring decisions because his company uses a best-practices hiring process. His managers ensure that each new employee is the best person for the job. Mistake aside, the CEO knew that the employee who erred was a good fit for her role.

Can we all say the same things about our hiring methods? Making every hire the best hire possible is a goal we should strive for all the time, but it is even more important when the economy is ailing. Leaders cannot afford hiring mistakes because turnover is too costly. Add up the costs of recruiting, interviewing, hiring, and training while a job remains open for weeks, perhaps months. Why spend this money if you can hire the right person and avoid the turnover?

Below are crucial questions that result in hiring the best candidates. Leaders can examine their own practices by asking themselves these questions when thinking about job candidates, as well as current employees:

- **Do I know how each job supports our company's key objectives?**  
Your organization may be behind the curve if job descriptions have not changed with your revamped plan of action. If employees are performing their jobs the same old way, they are holding the company back. Make sure top leaders buy into the strategy and share it with employees down the line so that every worker knows how to put the plan into action.
- **Do we have a policy of considering highly qualified internal candidates first when organizational opportunities arise?**  
Internal "hiring" demonstrates that you believe in the training practices of your company and in your employees' accomplishments. Such a policy encourages top performers to take initiative and exercise creative thinking. You don't have to train them in crucial aspects of the job, such as the job's scope and how it relates to other employees and departments, because they already know how the company works.
- **Do managers use objective evaluation criteria based on known outstanding performers in the position?**  
If you want to ensure that each worker fits her job, measure how top performers in the same position do their jobs. Then apply the same assessment to candidates for the position and see how well they match the top performers. This approach works because it applies objective standards to the position instead of requiring you to rate a person via subjective standards or to "hire with your gut."
- **Is our compensation competitive based on current market rates for the job?**  
Paying a salary commensurate to what employees can earn in similar positions is critical to keeping your workforce motivated and attracting top talent. Organizations can compete in many areas—work environment, benefits, growth opportunities—but expecting top performers to stay

with you because you offer these things is not realistic if they can earn significantly more money doing a similar job elsewhere.

- **Do we apply a consistent selection process to all candidates?**

If the answer is yes, it means that your selection processes are objective and fair. These are important, not only because you want to do the right thing, but also because legal challenges to employee selection standards are expensive. The best employee selection process ensures that selection standards are job-related, validated, and standardized.

- **Do we include key stakeholders in our employee selection process?**

Key stakeholders are those affected, for better or worse, by our operations, those who have an interest in what we do, and those who influence what we do. That includes almost everyone, but a big-tent approach is profitable: Inc. Magazine reports that "organizations with more effective hiring systems rank higher in financial performance, productivity, quality, customer satisfaction, employee satisfaction and retention."

- **Are we training our interviewers in our employee selection process?**

Once we determine that we want structured interviews—those in which questions and tasks are chosen beforehand, and that are designed to ensure consistency—it is imperative that we coach our interviewers. The process is likely to go more smoothly if interviewers understand it, buy into the reasoning behind it, and know what to do. The unstructured interview is weak for purposes of identifying the best candidates.

- **Are we giving interviewers guidance to help them probe deeper into a candidate's suitability?**

According to Leadership IQ, a firm that provides research and executive education to top companies, a study of 20,000 newly hired employees showed that "46 percent of all new hires fail within 18 months." This happens not because the new employees lack technical skills, but because they are not coachable, have the wrong temperament, are not motivated, or demonstrate other problems "that never get assessed in the interview." To catch these mismatches, screening interviewers need expert coaching to help them look beyond technical skills and ask the right follow-up questions.

- **Are we conducting comprehensive reference and background checks on job candidates?**

Leaders might view reference and/or background checks as a bother when they "know" someone is right for a position. But employment experts estimate that almost one-third of all resumes contain false or exaggerated information. According to a Purdue University newsletter, falsified information consists mostly of expanded dates to cover employment gaps.

- **Does our orientation process for newly hired people help them become productive faster?**

A Bersin & Associates/Randstad case study shows that productivity measures increased by 25 percent among employees who participated in an onboarding training program. Employee job descriptions can help by communicating the company's direction and telling the employee where he fits in the big picture.

Is your company set to handle employee mistakes and economic battering? It will be if you are hiring only the best.

Jim Sirbasku, CEO  
Profiles International

## **POP QUIZ -- Terminology Tester**

*The ProfileXT®, which is designed to achieve the best possible job fit for any position in the working world, utilizes specific terminology that we often use in Profiles Advantage. Test your knowledge of these terms here.*

### **1. What is a Benchmark?**

- a. A standard by which we measure something.
- b. A financial goal to reach in the first quarter.
- c. The label we apply to the candidate we want for a certain position.

## 2. What is a Job Pattern?

- a. The way in which employees do their jobs each day.
- b. A scale to help determine employee-job compatibility.
- c. Another new name for "job description."

## 3. What are Top and Bottom performers?

- a. The highest- and lowest-performing employees in a certain position.
- b. Those who work the first and second shifts.
- c. Employees who are paid at the highest and lowest rates.

## 4. What three measures are important for accurately matching people to the work they do?

- a. Energy, intelligence and affability.
- b. Educational level, technical skill and pay requirements.
- c. Behavioral traits, occupational interests and thinking style.

## 5. How is a Candidate Matching Report helpful to employers?

- a. It narrows the search for a manager seeking to fill a position.
- b. It tells you whether a job seeker's style of dress meshes with the position.
- c. It places a candidate for a job with those most like him in the company.

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Answers: 1. a; 2. b.; 3. a. 4. c.; 5. a.

Source: Various customer service experts

## PRODUCT FOCUS -- PXT Tells Managers What They Need to Know

Managers who rely on their instincts when hiring should pay more attention to that inner voice when it warns them *not* to hire someone. Studies show that leaders often know in advance when a candidate is not going to work out—and yet they hire the person anyway because he meets the technical requirements for the job.

Some time later, the manager discovers problems: the candidate does not respond well to feedback, cannot get along with co-workers, or is not motivated to do much more than go through the motions to keep his job. Then the manager remembers...he had doubts about the employee *before* he was even hired. But he believed that there was not enough time to conduct a more thorough search for candidates, and he wasn't certain that any of the other candidates would have been better.

All it takes is one bad hire to prove that hiring in haste is more time-consuming than hiring deliberately. If you are ready to fix your failed interview process, consider ProfileXT®. It shows a candidate's behavioral traits, occupational interests and thinking style as part of an overall process to evaluate how the person would fit into a specific job.

ProfileXT uses several scales to determine job fit. Job fit is directly correlated to how well someone will perform and how long he will stay on the job. The assessment uses a Job Match Pattern, which is developed by examining workers who are most and least successful in a specific position. Their scores on the ProfileXT® provide benchmarks for new job candidates in the same position.

In addition to scoring top and bottom performers and providing benchmarks, PXT's Job Match Pattern does the following:

- Allows you to match the test-taker's score on each scale item to a Job Match Pattern of scores for a specific position. The further the score falls outside of the pattern (high or low), the greater the negative impact on the Job Match Percent.

- Lets you find more top-performing candidates for a job.
- Helps you find more appropriate positions for those who are a poor fit for the job.

People who use the ProfileXT® as directed report less turnover and more productivity. And there are many ways to use it. For example, those who rely on PXT companywide have found they can determine the best internal candidates for promotion to new jobs.

If you are paying close attention when your inner voice says that you need more information, consider PXT. It's a proven time-saver in the long run. Call Profiles International at (254) 751-1644.

## **STRATEGIES FOR WINNING --**

### **The New Art of Hiring Smart\* Good People Grow Business**

It's the best of times, and the worst of times, too, if people problems are coming between you and the commercial success that your peers are enjoying. If you're experiencing excessive staff turnover, or finding that your new hires simply don't fit in, use the following six steps to ensure that you get more of the people you need. This is The New Art of Hiring Smart.

#### **1. Determine the Cost of Turnover**

Take the annual salary of any job for which you have excessive turnover, add the typical 30 percent for benefits, and calculate 25 percent of the total. That's the absolute minimum it costs you every time that position turns over. If you provide any other benefits or incur any other costs, it's actually much more. Multiply this figure by the number of times the position turns over. Do this for every job where you have turnover.

Scary, huh? Then add other costs (agency fees, advertising, travel, etc.), training costs, lost production/opportunity costs while the position is empty, and morale costs. Now that we have your attention, let's do something about the problem.

#### **2. Identify Hiring Problems and Mistakes**

Identify any part of your organization that's having people problems and find out what's causing them by:

- Asking your department and human resources managers why, in their opinion, these departments have turnover. Why are people quitting? Why are they being fired? Why have they become problematic?
- Conducting exit interviews. Ask each person who leaves what you could have done to help them succeed and to prevent their departure. Don't be fooled by the answer "pay me more money."
- Asking your top people what they like about their jobs and how you can make their jobs better. Try replicating whatever they like throughout the organization.
- Evaluating those responsible for hiring and asking them (or yourself) the following: Do they need training? Do they have a system that works? Do they take hiring new people seriously?

#### **3. Recruit People Who Fit Your Jobs**

- First, You Must Understand the Job and Develop a Competency-Based Job Description. It is critical that you document the competencies required by all of your jobs on the basis of technical, educational, experiential, and industrial know-how—otherwise, how can you know what you're looking for?
- Match People to Jobs *Harvard Business Review* conducted a huge study—360,000 people in 14 industries over a 20-year period—in an attempt to identify what made for job success. The study discovered that people are successful only when they are matched well to their jobs. They must have the right level of learning ability and they must be motivated to do the work, and their behavioral makeup or personality must equip them to do the job well.

You cannot get the information necessary to match people to jobs from candidates' resumes or from conventional interviews. The only way you can uncover this information is by formal assessment of candidates using assessments designed specifically for this task—you can find more information about this at: [www.profilesinternational.com](http://www.profilesinternational.com).

#### 4. Prospect Innovatively for Candidates

Consider additional sources you may not be using, such as:

- Employee Bonus for Referrals of Candidates You Hire
- Physically or Mentally Disadvantaged Candidates
- Senior Citizens Retirees often make up a large pool of motivated candidates for many empty positions.
- Companies that Have Announced Cutbacks Contact personnel and department managers in organizations announcing cutbacks and describe the candidate you are seeking.
- Set Up Educational Relationships Find the universities, colleges or schools that support your industry through their curricula, and develop relationships with them.

#### 5. Prepare for and Conduct a Winning Interview

Preparing for an interview is just as important as the interview itself.

- Review the Job Description In advance of the interview, clarify in your mind the job requirements and the kind of competencies you expect to find in the person who will fill the job.
- Develop Lead Questions Lead questions are based on the job description and are designed to bring out answers that will lead to follow-up questions

The interview itself has three parts:

- **The Open** - No candidate likes being interviewed. In fact, most candidates see interviews as a necessary evil. The Open has two objectives: The first is to put the applicant at ease and build rapport. The better the rapport, the better the information you receive. The second objective is to set the agenda and timetable. Explain the order of the interview and approximately how long you will be together.
- Your overall objectives for the Open are to create excitement about the job and to put your candidate at ease.
- **The Body** - Ask your lead questions here. When doing so, think: *Can this person do the job?* Does he or she have the necessary qualifications, experience, and competencies that you know are necessary for success in the position? Do his learning abilities match those required by the job?

*Will this person do the job?* If you are satisfied that the candidate has the qualities to do the job successfully, your next task is to ensure that he or she is motivated to be successful in the position. Is the nature of the work sufficiently motivating for him/her to ensure success? This can usually be determined only through assessment of the candidate's motivational interests, using assessments like The Profile (mentioned above). The purpose of the interview is then to probe any areas of concern uncovered by the assessment process.

*Will this person fit our corporate culture?* A candidate's capability and motivation are sufficient only if you are confident that the candidate will also be a good fit for your company. Again, the extent of this match is best determined using a pre-interview assessment, with the interview providing an opportunity to probe any areas where the candidate seems to be a poor match for the position. Listen carefully and take notes. Later, review your notes and form your opinions.

- **The Close** -- The Close is no less important than the two previous stages of the interview, allowing for both sides to summarize and agree on next steps.

In a book we highly recommend—*Hire with Your Head* by Lou Adler—there's a suggested closing statement that can be used with all candidates, especially those who will make the next cut:

*"Although we're seeing other fine candidates, I personally think that you have a very fine background. We'll get back to you in a few days, but what are your thoughts about this new position?"*

This close helps you create a sense of competition and job attractiveness, express sincere interest in the candidate, and gauge the candidate's interest in the position.

## **6. Continually Refine Your Practices**

Books like Lou Adler's *Hire with Your Head*, as well as seminars and workshops on best-practice hiring run by organizations like Profiles, will help you continually refine your skills in the art of hiring. Your local Profiles office can let you know what events are scheduled in your area (find your local representative by sending an email to [profiles@profilesinternational.com](mailto:profiles@profilesinternational.com)).

People are your most important asset. Shouldn't you invest at least as much effort in attracting, recruiting and retaining them as you invest in winning and retaining customers?

\*From the book 40 STRATEGIES FOR WINNING IN BUSINESS by Bud Haney and Jim Sirbasku. © S&H Publishing Co., 5205 Lake Shore Drive, Waco, Texas 76710-1732. All rights reserved. Contact S&H Publishing Co., (254) 751-1644, for reprint permission.

### **Announcement:**

After many long hours, I am proud to report that I have finished my book(s)!!! This undertaking is a layperson's guide to the rocky road of Human Resources. Entitled "*If You Don't Own A Circus - You Shouldn't Be Hiring Clowns*" it is a series of 5 workbooks, written from the perspective of business owners who do not have a lot of HR experience. The five booklets are:

- Book 1: Hiring Smart
- Book 2: Employee Stuff
- Book 3: Retaining the Stars
- Book 4: Staying Out of Trouble
- Book 5: The End

They are available as now in individual format and will be available soon in one BIG book! The booklets are \$12 each or all 5 for \$50. Anyone who wishes to purchase can contact me for further information.

